

em Post Page 2

FIRST I GOTTA PRINT UP SOME MONEY

HOW? WE DON'T HAVE ANY PRINTING PRESSES!

states that religion is from the political Jews have given the right to Jewishness by giving them Jewish life style.

challenge to the Reform should not be commotion on its right to develop model of Jewish life. The Movement does challenge departure from Halakha in the cases of descent, and the mixed marriages. Yet this on our part should not be our advocating the rabbinic be denied the teach, to preach and in Eretz Yisrael.

critics of a democracy we need not agree with it we assure them that it will be before the law.

old M. Goodman is a member of the Rabbinical Council of the Organization of Jewish Communities in America. He is also a member of the Council of Synagogues in the City of New York.

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IDF PREPARES GROUND FOR REDEPLOYMENT

By HIRSH GOODMAN, Post Defence Correspondent

SIDON. — The Israel Defence Forces has started pulling back logistics and support units from its current lines of deployment in Lebanon, and is in the first stages of building a new infrastructure along the Awali River. According to senior military officers, the new infrastructure will be completed "within weeks."

No combat units have been pulled back from the current lines; this move is awaiting a go-ahead from the government. But once the order is received, the process could be completed within a very short time.

A senior military officer said in Aley yesterday afternoon that Israel will not necessarily wait for a solu-

tion as to what force will fill the vacuum left by the IDF once the redeployment is effected, but added that at this point, Israel is doing all it can to insure that stability prevail.

"We are cooperating in trying to find a solution," he said, "but our redeployment will not be conditional on a solution being found."

Work on the 50-kilometre line is already in full swing, and yesterday, 25 heavy earth-movers were busy levelling ground for a string of new positions that will run along the Awali River, starting just north of Sidon on the Lebanese coast, and along the Basri River to the foothills

of Jabal Baruk and the town of Adlun.

Military sources told *The Post* yesterday that very soon, the number of heavy earth-moving tractors working on the new line will be doubled to about 50. All in all, over 40 kilometres of roads will be built to give IDF units access to the positions, while over 50 kilometres of existing roads will be improved to handle more traffic. The entire redeployment will be completed before the winter.

In addition to limiting Israeli casualties, the redeployment will reduce the number of men serving

in Lebanon, the army predicts. No electric fence will be built along the new line, as has been reported in several newspapers, but the fortifications will be built to afford soldiers stationed there maximum security, as well as adequate protection from the harsh winter conditions typical of the area.

According to military sources, talks are being held between the Lebanese Army, members of the multinational force and the Druse to try to find a solution for maintaining stability in the areas to be vacated by the IDF.

One idea being considered is that two brigades from the Lebanese Army will take over, with the American contingent from the multinational force patrolling the Sidon-Beirut highway in the west, and the French contingent assuming responsibility for sections of the Beirut-Damascus highway. None of these arrangements have been finalized as yet, given the reluctance of the Druse to allow any of the predominantly Christian units of the Lebanese Army to move into the Shouf mountain range.

Military sources here said that are convinced that the redeployment will limit, but not end, Israeli casualties. Since the beginning of the year, there have been 263 attacks against Israeli personnel in Lebanon, mainly on the Matin Range, around Beirut and in the south.

Though the IDF will remain deployed in all of southern Lebanon, military sources said that terrorists will find it harder to get material through, and Israel will be able to respond to the threat more effectively then until now.

The source pointed out Tuesday's incident, in which Syrian light-arms fire was answered by an Israeli artillery and tank barrage — "a move we hope managed to get the message across."

The new line of deployment will be based on a string of static fortifications, large and small, with the actual line along the Awali being patrolled by mobile units day and night. The topography in the region will afford the IDF a tactical improvement over the current lines, and will remove the problem of Christian-Druse factional fighting from the IDF's responsibility. The line, sources stressed, will be temporary, and is being built exclusively from materials being brought out from the current line. Despite this, however, sources estimate that the redeployment will cost at least \$30 million.

McFarlane still plans Syria visit

Post Diplomatic Staff

A State Department official told a House sub-committee yesterday that special envoy Robert McFarlane is still expected to visit Syria in his current visit to the region.

"Syria's unwillingness to withdraw its forces remains the crux of the Lebanese problem," said deputy assistant secretary Robert Pelletreau.

The official said the U.S. "understands" Lebanon's continued refusal to formally ask the Syrians to leave Lebanon, even though "everyone knows that's what the Lebanese want."

He said Lebanese President Amin Jemayel feared such a formal request would lead to a "confrontation" with the Syrians.

The first round of talks with McFarlane in Jerusalem yesterday disclosed that Lebanon fears that the redeployment of the Israel Defence Forces means the *de facto* partition of Lebanon.

Political sources in Jerusalem said Israel has already stated that the redeployment is a phase in a total withdrawal, but it refuses to announce a timetable as long as the Syrians do not announce their own timetable for withdrawal.

McFarlane, who arrived on Tuesday from Beirut (he has not yet been to Damascus), met yesterday with Foreign Minister Yitzhak Shamir in the morning and with Defence Minister Moshe Arens in the afternoon. Before meeting



Foreign Minister Yitzhak Shamir (right) meets in his office yesterday with U.S. special envoy Robert McFarlane. (Rahamin Israeli)

Arens, McFarlane held another meeting with the Israeli negotiating team, headed by Foreign Ministry Director-General David Kimche.

According to the political sources, McFarlane did not introduce any new plans or ideas, but stressed to both ministers the extent of the Lebanese fears that the redeployment would result in *de facto* partition.

The sources said McFarlane is apparently trying in his talks in Beirut and Jerusalem to find out what can be done to minimize and neutralize the Lebanese fears.

It was learned that Shamir told McFarlane that Israel stands by what was discussed in the talks he and Arens held in Washington. Shamir, it was learned, told McFarlane that Israel has no intention of either staying in Lebanon or bringing about its partition. He also said Israel is prepared to clarify its position to Lebanon directly on this matter.

Political observers say it is understood that Israel is not prepared to give Lebanon a written commitment on the phases of its total withdrawal, as long as the Syrians do not change their position.

McFarlane will meet today with Prime Minister Menachem Begin. He then probably will leave for Jordan, after which he is expected to go to Damascus. But American sources refused to confirm that these are his next stops, saying that the envoy will go where he thinks it is most important.

Bank governor slams Aridor's priorities

By AVI TEMKIN, Post Economic Reporter

Finance Minister Yoram Aridor and Bank of Israel Governor Moshe Mandelbaum clashed yesterday after Mandelbaum criticized the government for its management of economic policy in recent months and called for strong measures to solve current economic problems.

In his report, on the increase in means of payment (cash and chequeing accounts), Mandelbaum said that in recent months the rate of inflation has gone up, production has slowed, foreign debt has increased, and the deficit in the balance of payments has increased. He hinted that the government is partly to blame for these developments.

In his policy recommendations, Mandelbaum urged the government to change course and see the balance of payments as the main economic problem. Under current policy, the Treasury has been trying to bring down inflation, at the expense of larger balance of payments

deficits caused by a slow rate of devaluation.

Mandelbaum also recommended that the government cut its budget, including subsidies for basic commodities, and reduce the size of its labour force. He also said that the government should strive for an increase in the country's industrial competitiveness by cutting taxes on labour inputs and balancing the rate of devaluation and the rate of inflation.

Reacting to Mandelbaum's report, the Treasury said yesterday that the governor is a full partner in policy. Furthermore, said the ministry, without that policy the current economic situation would be worse.

The Treasury added that under conditions of world recession and despite the costs of the war in Lebanon, its policy succeeded in bringing down unemployment, increasing investment and halting inflation growth.

Mandelbaum's report relates to the period from September of last year until the end of June—the time in which the new economic policy

Phalange hold fast in problem base

SIDON. — Units of the Israel Defence Forces continued to face off against units of the Lebanese Christian Phalange in the Phalange base at Falus east of here. The two sides have not yet reached a final arrangement on the Phalangists' evacuation of the base.

The IDF brought reinforcements and additional equipment to Falus yesterday, but did not employ force in trying to persuade the Phalangists

Druse ask Arens to get Phalange out

By JOSHUA BRILLIANT, Post Defence Reporter

TEL AVIV. — Israeli Druse leaders yesterday asked Defence Minister Moshe Arens to get Phalange troops out of Aley and the Shouf mountains and to see to it that the new Israeli Defence Forces line to Lebanon does not divide their community.

Arens promised to study their requests but urged the Druse in Lebanon to reach a settlement with the government there before Israeli troops redeploy.

The hour-long meeting at the minister's office here followed

Ministers dig in against Treasury cuts

By AVI TEMKIN, Post Economic Reporter

The Treasury's proposal to cut \$550 billion from the government's budget brought opposition yesterday from Education Minister Zevulun Hammer, Defence Minister Moshe Arens and others.

Finance Minister Yoram Aridor spent most of the day trying to convince ministers of the need for the measure, as the stock exchange, reflecting public nervousness over rumours of forthcoming harsh measures, continued to fall, and there was strong pressure on foreign currency from investors expecting a large devaluation.

The Treasury denied that concrete plans for cuts in the social affairs, education and defence budgets already exist. Precise details have yet to be worked out, said the ministry, adding that any reports of specific cuts are pure speculation.

The Treasury denial followed persistent rumours concerning forthcoming taxes on social payments — such as child allowances — the introduction of health fees, the abolition of free secondary education and a reduction in the size of the army.

Despite the Treasury denial, ministry officials yesterday said privately that the rumours steps are in fact an accurate description of the proposals Aridor is trying to introduce.

The officials hinted that since there has been strong initial opposition to these steps within the cabinet, the Ministerial Economic Committee will not meet to consider them in the next few days.

Foremost in their opposition to the proposed cuts yesterday were Hammer, Arens, Labour and Social

Aridor and Grupper at odds over Lands Administration

By AVI TEMKIN, Post Economic Reporter

Finance Minister Yoram Aridor is trying to get the Israel Lands Administration under his control, to prevent Deputy Agriculture Minister Pessah Grupper from managing it, *The Jerusalem Post* has learned.

The administration until now has been under the authority of the agriculture minister, a post for which Grupper is a strong candidate. But Aridor fears that under Grupper, the administration would not be run properly.

Treasury sources told *The Post* yesterday that if Grupper's nomination for the ministerial post depended on Aridor, the deputy minister would never get the position.

The *Post* has also learned that in

Abuhatzaira appeal verdict on Sunday

By ROBERT ROSENBERG, Jerusalem Post Reporter

The Court of Criminal Appeal is to announce its decision on Sunday on the appeal by MK Aharon Abuhatzaira — and the state's appeal for a stiffer penalty than the 51 months suspended sentence the former minister got for fraud, theft and breach of public trust.

Abuhatzaira was convicted in early 1982 of using government money allocated to a charity he set up for his own purposes while serving as mayor of Ramle in the 1970s. He was acquitted on three other charges.

The prosecution appealed against this acquittal and asked for a jail sentence.

U.S. sends missiles and advisers to Chad

WASHINGTON. — The U.S. State Department said yesterday that U.S.-supplied anti-aircraft missiles have arrived in Chad, accompanied by "a small number of military technicians" to assist the Chadian Army in using them against Libyan-backed rebels.

John Hughes, department spokesman, said there are probably four technicians in the group. But he insisted they will not be engaged in a combat role and will be quickly withdrawn.

He said their purpose is to assist the Chad forces in defending against "Libyan aggression." They will train the Chadians in use of the missiles.

The U.S. has provided 30 shoulder-fired anti-aircraft missiles, both Redeyes and Stingers, to the Chadians, according to Pentagon sources.

Asked about reports that the U.S. technicians might train French technicians, who would in turn train the Chadians, Hughes declined to answer beyond saying, "we are in close cooperation with the French."

He said "the French have done more than the U.S." in assisting the Chadian government of President Hissen Habre against a rebel force led by former president Goukouni Queddei.

Meanwhile, U.S. officials ordered the aircraft carrier Coral Sea, which had been expected to steam for the Caribbean and U.S. naval maneuvers there, to delay its departure from the Mediterranean.

Sources said the delay was expected to last two or three days. A second carrier, the Eisenhower, also is in the region.

Two Eisenhower-based B-14 jets had a head-on encounter with Libyan aircraft over the Gulf of Sidra on Tuesday. The Libyan MIG-23s turned to avoid collision, then descended and headed for shore, a

Pentagon spokesman said. No weapons were fired.

The interception recalled the August 19, 1981 affair in which two U.S. Navy jets shot down two Libyan SU-22 warplanes over the gulf, which is claimed by Libya but considered international waters by the U.S. The Navy said its planes were fired upon first.

Libya yesterday called in African ambassadors to protest about the presence of the U.S. Sixth Fleet near its coast and said it would attack the Eisenhower if it entered the Gulf of Sidra.

Libya, in its official news agency Jana, denied accusations by the government in Ndjamena that the Libyan Air Force has been bombing the Chad town of Faya-Largeau.

Official Chadian sources said yesterday that the government is hanging on to Faya-Largeau despite heavy Libyan bombing and a rebel claim to have retaken it.

One military source said: "One could say that our forces are pinned down and on the defensive, but we are holding on to our positions in the north." The rebel radio claimed to have taken the town in a broadcast on Tuesday night.

Unofficial sources said yesterday that government troops had captured the important garrison town of Gouro, a traditional rebel stronghold deep in northern Chad.

If the report is confirmed, it would mark the first time Habre's troops have ever controlled the town, which is 160 kilometres from the Libyan border and has been used as a staging area for rebel attacks against Faya-Largeau.

In other developments:

- The Soviet Union accused the U.S. and France of flagrant intervention in Chad and said they should keep out of the country's internal conflict. An official statement issued by TASS in Moscow charged that the U.S. is looking for an armed clash with Libya and said the Arab state is facing the threat of an outright attack.
- In Nairobi, the Organization of African Unity appealed for an immediate cease-fire in Chad so that peace talks can start.
- The UN Security Council scheduled private consultations on a request by Chad for a meeting to take up its charges of aggression by Libya.
- Expressing concern at Libyan intervention in Chad, Egypt hinted at the supply of "defensive" arms to that country. "Egypt is watching with concern foreign intervention against the legitimate government of Chad," the Foreign Ministry spokesman said in Cairo.
- Zaire may send another 1,000 men to help the Chad government, informed sources said in Kinshasa. Zaire last month sent 2,000 men and three Mirage fighters to Chad in response to Habre's call for outside help in the civil war. (AP, Reuters).

With deep sorrow,
we announce the death of our dear
husband, father, grandfather, great-grandfather

Judge JOSEPH HERBSTEIN

The funeral will take place at the Savyon cemetery on
Friday, August 5, 1983 at 11 a.m.

The Family

THE END IS NEAR!

Today is the final day to place your classified advertisement for tomorrow's Haluah Hehadash. Just take your ad to any advertising agency, or to an office of Ma'ariv or Ha'aretz, and it will run in Hebrew in those papers. Hand it in early enough to make sure it reaches the office of Haluah Hehadash before 5 p.m. — your ad will then appear in English in The Jerusalem Post. Beat that deadline!

The weather at major Swissair destinations

3.8.1983	MIN.	MAX.	C F C F
AMSTERDAM	12	24	54 75
BRUSSELS	12	24	54 75
AVIGNON AIRS	8	14	47 57
CHICAGO	17	31	63 88
COPENHAGEN	13	25	55 77
FRANKFURT	12	24	54 75
GENEVA	16	23	61 73
Helsinki	17	32	63 90
HONG KONG	27	31	81 88
JOHANNESBURG	6	43	20 68
LISBON	17	27	63 81
LONDON	11	22	52 72
MADRID	18	32	64 90
MONTREAL	19	26	70 79
NEW YORK	22	32	72 90
OSLO	14	27	57 81
PARIS	12	24	54 75
RIO DE JANEIRO	13	25	55 77
SÃO PAULO	11	22	52 72
STOCKHOLM	20	28	68 82
TOKYO	22	31	72 88
TORONTO	18	26	64 79
VIENNA	22	28	72 82
ZURICH	24	28	75 82

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THE WEATHER

Yesterday's	Yesterday's	Today's
Humidity	Min-Max	Max
Jerusalem	41	20-31
Golan	32	22-33
Nazareth	48	24-30
Haifa Port	66	25-31
Tiberias	27	21-28
Nazareth	41	21-31
Alula	30	20-33
Sharmun	36	23-32
Tel Aviv	73	23-30
B-G Airport	48	22-33
Jericho	23	21-41
Gaza	77	24-30
Beersheba	37	22-36
Eilat	13	29-43

Ministry of Health staffs threaten strike

By MARGERY GREENFIELD
Jerusalem Post Reporter

The Health Ministry's 7,500 service and administration workers are to begin an open-ended strike on Sunday morning, following the breakdown of negotiations on equalizing ministry workers' salaries and working conditions with those of their counterparts in the Histadrut's Kupa Holim Chai health insurance fund.

The threatened strike, involving all laundry, kitchen, clerical and cleaning workers in government hospitals, could shut down hospitals within days. The Health Ministry's main office in Jerusalem, as well as district health offices, are also to be closed.

Representatives of staff committees from all over the country are to meet this morning in Tel Aviv for a briefing on the failure of the talks.

Druse officer buried in North

Jerusalem Post Reporter

MERON. — Thousands of local and Lebanese Druse yesterday participated in the funeral of Druse Seren (Capt.) Nazim Faraz, 26, of Hureish in western Galilee. Faraz was fatally wounded two days ago by Syrian fire east of the Bekaa Valley.

Faraz's coffin, draped in the national flag, was carried to Hureish's military cemetery by six of his fellow officers. The combined military-civilian funeral included rifle volleys and was conducted by an IDF officer and a Druse sheikh.

Faraz was the fifth soldier from the village to die since the beginning of the war in Lebanon and its 16th to fall in the defence of the state since the War of Independence.

Among the mourners were delegations from Lebanon, officers and soldiers of Major Sa'ad Haddad's South Lebanon Militia.

Moshav Eliphelet splits

ELIPELET (Itim). — Moshav Eliphelet in Upper Galilee, this week split into moshavim Eliphelet and Shahaf, following frequent disputes among members, particularly between the apple and avocado growers.

Eliphelet is in serious financial difficulties as a result of the dispute and split, which has been approved by the moshav association. The Shahaf group is negotiating for a new site in Galilee, far from Eliphelet.

CORRECTION

The Chamber of Shipping, and not the Shippers Council, has asked the ministers of interior and tourism to improve passport control procedures on ships in Haifa Port.

Notice to Doctors

In order to promote awareness of the possibilities of treatment by unconventional techniques, during the summer months, we are giving

intensive, morning and evening, short courses in ACUPUNCTURE, REFLEXOLOGY, HOMEOPATHY

The courses will be given by doctors, in Lugano, Switzerland. Diplomas will be given to those completing the course.

(Flight and hotel expenses will be born by the management.) Acupuncture courses only can be taken in Haifa and Tel Aviv.

Details: The Clinic, 130 Dizengoff, Tel Aviv, Tel. 03-221816, 03-236892, 03-239038.

HOME AND WORLD NEWS

U.S.: Settlements need not be closed

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — The Reagan administration yesterday said that Israel would not have to dismantle existing West Bank settlements as part of any overall peace agreement.

The State Department said that the U.S. vetoed a UN Security Council draft resolution on Tuesday in part because it called for the dismantling of existing settlements.

Spokesman John Hughes said this

was "an impractical demand." In response to questions, he cited "obvious" reasons. He said the situation in the West Bank is different from that of Sinai, where Israel dismantled settlements as part of the peace treaty with Egypt.

Reading from a prepared statement, he said that another reason for the U.S. veto was the suggestion in the resolution that Israeli settlements are illegal under international law.

The spokesman said the U.S. does not "accept continuing the

sterile argument as to whether the settlements are legal, an argument that deflects attention from the basic issue — mainly the harmful impact of settlement activity on efforts to achieve a fair and peaceful resolution of the conflict over the occupied territories."

Despite the U.S. veto and the suggestion that the settlements may not have to be dismantled, Hughes went on to reiterate President Ronald Reagan's September 1, 1982 appeal for an immediate Israeli settlement freeze.

Queen understands Israel, new envoy to London finds

By HYAM CORNEY
Jerusalem Post Correspondent

LONDON. — Queen Elizabeth II "displayed understanding of the Middle East region in general and of the major issues relating to Israel in particular" when she met new Israeli Ambassador Yehuda Avner at Buckingham Palace yesterday.

Avner remarked on this after presenting his credentials to the queen, who spoke to him privately after the ceremony for an "unusually long period," some 10 minutes.

"She received me most graciously," Avner said, "and put me at ease." Giving his first press briefing later in the day, Avner told Israeli journalists that in his initial meetings at the Foreign Office, he has been made aware of "a readiness to talk to Israel and to re-establish a

dialogue." While not promising any dramatic turnaround in British policy, he was hopeful that this "re-examination" would lead to new understandings between the two countries which "have more that unites them than divides them."

Asked whether Israel really believes that London has a role to play in the Middle East, Avner replied that it would be "greatly appreciated" if Britain could use its good offices to persuade the Syrians to withdraw from Lebanon simultaneously with Israel. He also said he hoped that Britain would join with others, notably the Americans, in helping to get the Camp David talks restarted.

He therefore saw "a supportive role" for Britain.

Israel-Egypt relations worry Bush

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Vice-President George Bush has expressed deep concern over the deteriorating state of Israeli-Egyptian relations.

During a 30-minute introductory meeting with Israeli Ambassador Meir Rosenne at the White House on Tuesday, Bush reportedly promised that the Reagan administration will intensify its behind-the-scenes efforts to convince Egypt to return its ambassador to Tel Aviv.

The vice-president also expressed

concern over Israel's continuing settlement policy on the West Bank. Meanwhile, it was learned that opposition Labour leader Shimon Peres has scheduled a visit to Washington next month and hopes to meet with President Ronald Reagan.

President Chaim Herzog has been invited by several U.S. Jewish groups to speak in November, although the embassy here has not received any word on whether Herzog will make the trip.

The president is on leave and not available for comment.

Grupper calms protesting moshavniks

By JOSHUA BRILLIANT
Jerusalem Post Reporter

TEL AVIV. — Dozens of shouting members of Moshav Brosh in the northern Negev yesterday broke into the Agriculture Ministry's offices here demanding government help to keep them from going under.

They left peacefully over an hour later after Deputy Agriculture Minister Pessah Grupper said he would help them if his Liberal Party's central committee — which meets next Thursday — nominates him to succeed the late Simha Ehrlich as agriculture minister.

The protesters shouted that they want to make an honest living, adding that their 1580 million debts were created by the interest on loans they took to develop their farms. "We don't want what hap-

pened to Noga to happen to us," they shouted. Noga is a Negev moshav which recently collapsed under a heavy debt burden.

Grupper showed understanding and appeared to calm the group.

A first test of Grupper's clout is expected today, when he meets Prime Minister Menachem Begin, acting agriculture minister. Begin asked Grupper to brief him on the moshav crisis.

A statement issued by the Agriculture Ministry yesterday said the deputy minister will ask the prime minister to intercede with Finance Minister Yoram Aridor to provide IS2b for immediate aid to 30 moshavim.

Earlier this week, Aridor refused to provide the money, saying it should come from the Agriculture Ministry's budget.

BANK GOVERNOR

(Continued from Page One)

of price increases did not slow, while the rate of devaluation kept lagging behind, contributing to a decrease in exports and an increase in imports.

During recent months, the public has been expecting an acceleration in the rate of devaluation, and this has caused a big demand for foreign currency. While no dollar figures are provided in the report, some of the figures suggest that the purchase of foreign currency amounted to some \$400 million in May-June alone.

The figures included in the report showed that during the first half of 1983, the real value of non-banking shares shrank by some 30 per cent, while that of banking institutions rose in real terms by some 12 per cent.

At the same time, said the report, the public found government bonds

less attractive, preferring to spend its money on consumer goods. This forced the government to have recourse more frequently to the printing press to finance its activities.

The report reveals that at the end of June, the public held some 15707b. in shares — 15387b. of this in banking shares. This represented some 45 per cent of the public's financial assets. At the end of 1982, the proportion was 48 per cent.

The decrease in savings is also reflected in the report's figures. While the public held 25 per cent of its financial assets in savings accounts in June 1982, this proportion went down to 22 per cent at the end of June of this year.

At the end of last June, the public had some \$3b. in foreign currency accounts, making up 10 per cent of its financial wealth, as compared with 9 per cent at the end of 1982.

U.S. Riyadh envoy may replace Veliotis

Jerusalem Post Correspondent

WASHINGTON. — Richard Murphy, the U.S. ambassador to Saudi Arabia, has been tipped to replace Nicholas Veliotis as the State Department's next assistant secretary for Near Eastern and South Asian affairs.

Murphy, a former ambassador to Syria who speaks Arabic, would become the State Department's ranking Middle East specialist. He is a career foreign service officer who has lived extensively in the Arab world.

Veliotis is expected to succeed

Alfred Atherton as the next ambassador to Egypt. There was no immediate word what Atherton might do, although some observers expect him to retire.

Word of the reshuffle came during a hearing yesterday of the House Foreign Affairs subcommittee on Europe and the Middle East, when chairman Lee Hamilton of Indiana raised this possibility. Deputy assistant secretary Robert Pelletreau refused to comment on the speculation, although other well-informed sources confirmed the coming appointment.

Scientist in race for Beersheba mayor

BEERSHEBA (Itim). — Physicist Ehud Avivi, 52, former secretary of the Atomic Energy Commission in Vienna, will be the Likud candidate for mayor in the upcoming municipal elections here.

VINTAGE. — The winemakers of Zichron Ya'acov have announced that they will not accept any table grapes for wine production from the summer harvest, due to a bumper crop of fine quality wine grapes from which they expect to produce a vintage product of international quality.

Escape tunnel discovered at Ansar camp

Jerusalem Post Reporter

ANSAR, Southern Lebanon. — A tunnel was found at the prison camp here on Sunday leading from a tent to within a few metres of the camp fence, security sources confirmed yesterday.

They added that the tunnel was at a depth of six metres and was 80 centimetres wide. It was discovered before any of the detainees in the camp could use it to escape.

Security forces apparently spotted the tunnel on a routine patrol. It had apparently been dug at night over an extended period. Following the discovery, the entire camp was searched. The tunnel was sealed with cement.

In June of this year, one prisoner was shot dead while trying to escape, and eight others were caught just as they were breaking out.

Electricity use hits record in heat wave

Jerusalem Post Reporter

HAIFA. — The heat wave raised the country's demand for electricity to a new record of 2,440 megawatts on Tuesday.

The Electric Corporation spokeswoman said that the record was 9.7 per cent higher than last year's summer peak of 2,225 megawatts, but still well within the corporation's capacity of 3,050 megawatts.

The high demand was a result of air conditioners, electric fans and refrigerators working full tilt to save Israelis from the heat.

'Hitler diaries' reporter sent back to jail

HAMBURG, West Germany (AP).

The reporter implicated in the "Hitler Diary" hoax after winning yesterday, 24 hours after winning release, when prosecutors argued that he might try to flee the country or tamper with evidence.

The state prosecutor's office declined, to elaborate on the argument used in Hamburg State Criminal Court to protest against the release on Tuesday of Gerd Heidemann from two months in investigative custody.

But a court spokesman said Heidemann, 51, was sent back to jail yesterday after justice officials accepted the prosecutor's challenge.

Druse officer leaves IDF to help Shouf kin

By YA'ACOV FRIEDLER
Jerusalem Post Reporter

HAIFA. — A Druse captain in the Armoured Corps who last week resigned his commission, yesterday explained that he did so in protest against Israel's treatment of the Druse in the Shouf Mountains of Lebanon.

Ayoub Elkara, 27, from Daliat al-Carmel, told reporters that he eoded his 10-year military career to be free to act to save his brethren in the Shouf from the Christian Phalangists when Israel withdraws.

He said that if necessary, a group of Druse ex-servicemen and officers would be ready to go to the Shouf after the withdrawal, to defend their brethren, though "only with the agreement of the Israeli authorities, even if only a tacit one."

Elkara said he is establishing a Druse movement headed by ex-officers in all the community's villages in Israel, to aid the Lebanese Druse. The movement is to be neither anti-Israeli nor political. Wealthy Druse here and abroad are ready to support them, Elkara said, and he will shortly go to the U.S. to mobilize moral and financial support from the Druse community there.

The captain stressed that only he is sacrificing his army career for the cause, and called on other Druse soldiers and officers in the Israel Defence Forces and the security



Defence Minister Moshe Arens greets Druse spiritual leader Sheikh Amin Tarif, who led a delegation to Arens's office in Tel Aviv yesterday. (See story Page 1)

Tension rises between Kimche, staff

Jerusalem Post Reporter

Tension in the Foreign Ministry over the recent pattern of diplomatic appointments increased yesterday after an exchange of uncompromising letters between Director-General David Kimche and the staff committee.

Earlier this week, in a letter to Foreign Minister Yitzhak Shamir, the committee complained about what it called a "long series of broken commitments, violated appointments procedures," and the appointment of outsiders to diplomatic posts abroad.

Kimche, in reply, stated that of 132 posts filled by the Ministry's appointments committee in the past year, Shamir intervened in only two cases. He rejected the staff committee's complaints, remarking that they damage relations in the ministry.

In turn, the staff committee charged yesterday that Kimche had wholly ignored the committee's specific complaints, and asserted again that the ministry's statutory appointments committee had been rendered insignificant by the appointment policy and practices of the minister and his top aides.

The committee said it has evidence that two ministers lobbied on behalf of the recent appointment of the new ambassador to Paris, thus bringing extraneous and non-professional considerations into play.

The committee asserted that it has a full right to protest against and intervene in the direction of the ministry's appointment policy and will not be restricted to dealing only with questions of salaries and employment conditions.

MINISTERS DIG IN

(Continued from Page One)

should not cut Project Renewal's budget, since it has obligations to more than 100 neighbourhoods in the country.

Katzav was apparently not aware at the time that Project Renewal is one of the targets of the Treasury's axe. According to ministry officials, the cut in the Housing Ministry budget will not affect economic projects or mortgages, but will affect Project Renewal.

They added that construction activities in the administered areas will probably also suffer from the cuts.

The officials said the Treasury is working under the assumption that the cut will need to be in the region of IS50b., some 10 per cent of the ministries' budget, excluding wages and debt payments.

Hammer said he would oppose any proposal to abolish free secondary education. This would constitute a regression in the education field, and would keep thousands of pupils with monetary problems from studying, he said.

Uzan said that in light of the current economic situation, the abolition of free secondary education

could be considered.

He is opposed to any steps affecting child allowances, but said a cut in subsidies on basic commodities could be justified.

He said he will present the cabinet with an alternative programme of cuts, to include the financing of development projects from private funds — not through the government budget.

The Histadrut said yesterday that many work places had phoned it, demanding a firm stand, against the planned cuts.

According to well-placed sources, the main obstacles in Aridor's way are Arens's opposition to the cuts, combined with opposition from senior officials in the Israel Defence Forces.

Aridor was busy all day yesterday holding meetings with his ministry officials and with other ministers trying to persuade them to accept the proposed measures.

In his meetings, Aridor stressed current economic hardships and insisted that Israel will not be able to cope with the large balance of payments deficit that would result if the budget is not cut.

One dead, six hurt in head-on crash

One person was killed and six were injured yesterday, three of them seriously, when a car collided with a pickup truck on the Jericho-Beit She'an road near Moshav Masua.

A woman driving a rented car and two reserve soldiers riding with her were seriously injured when the car suddenly swerved into the path of the truck, whose driver and one passenger were seriously hurt. Two

passengers in the truck were slightly injured.

All the casualties received first aid at a nearby army base, after which the seriously injured were flown by helicopter to Jerusalem's Hadassah Hospital in Ein Koren, where one of the seriously injured died. Two of the others were operated on last night. The names of the casualties were not available. (Itim)

Gaza convicts spoil own escape attempt

Jerusalem Post Reporter

GAZA. — Prison authorities here yesterday foiled an escape bid by eight long-term convicts, including one serving a life sentence, who never made it beyond their cell.

Deputy Prisons Service spokesman Haim Glick said that warders became aware of the escape try when they heard strange noises coming from one of the cells.

The warders surprised the eight convicts just as they had removed the inner grille of their cell window and were preparing to deal with the outer bars.

"They were caught red-handed, with burglar tools and an improvised rope," Glick said. Police were called to investigate. The men's names were not released.

Glick said that this was apparently the first break to be attempted from Gaza Prison, which is chronically overcrowded.

Thatcher in hospital for eye surgery

LONDON (AP). — Prime Minister Margaret Thatcher underwent eye surgery yesterday afternoon and was expected to be hospitalized for two to three days, after earlier treatment for a damaged retina failed, her office announced.

The announcement — after Thatcher's personal physician predicted that surgery would be unnecessary — came after the 57-year-old leader was seen by a specialist.

Officials refused to name the hospital where Thatcher was admitted.

Druse officer leaves IDF to help Shouf kin

His group demands that Israel expel the Phalangists from the Shouf region "for Israel's sake," because "we shall need the Druse of the Middle East for many years to come."

Elkara said he brought a concrete proposal from the Shouf leadership, including spiritual head Sheikh Mohammed Abn Shakra, which he could not disclose peeding its presentation to the authorities.

"But it shows that we can do business," he said.

Elkara hinted at a possible step "to save the Druse from the Phalangists" even as Israel is about

to withdraw. He said this is possible in the same way that Israel made the previously "unrecognized" Maj. Sa'ad Haddad the "virtual ruler of Southern Lebanon."

He displayed his discharge papers, which confirmed that he had resigned of his own will, wished him luck and left the way open for his re-enlistment.

"I am now free to act and I want to shock the Israeli Druse community, which has done nothing, to act for the sake of our brethren in Lebanon, and also to shock the defence establishment into consideration for them," said Elkara.

We mourn the passing of

BARRY COGHAN

of the Roy Hart Theatre.

He will be deeply missed by his many students and friends in Israel.

Jerusalem Drama Workshop

We regret to announce the passing of our dear

LUBA WEINSTOCK

Deeply mourned by her daughters: Galia Cohen, Varda Yoran (Granovsky), Avram and Shalom Dorit, Mairav, Danny, Yeeli and Dafna

We wish to thank our friends and relatives who expressed condolences on the passing of our dear

Dr. MAX STEIGBUEGEL

Steigbuegel and Shouf Families

With great sorrow we announce the passing of our beloved father and brother

ABRAHAM ALFRED JUTKOWSKI

The funeral will depart today, Thursday, Av 25 5743 (4.8.83) at 2 p.m. from the Sanhedria funeral parlour for the Har Hamenuhot Cemetery in Givat Shaul.

His daughter: Ruth Jutkowski
His sister: Miriam Jutkowski

Sharir raps Lapid for barring city films

By AARON SITTNER
Jerusalem Post Reporter

Tourism Minister Avraham Sharir yesterday lashed out at Broadcasting Authority Director Yosef Lapid for "arbitrarily and undemocratically" ordering local tourism promotion films off TV because their screening may benefit incumbent mayors in the forthcoming municipal elections.

"Judge for yourselves," Sharir pleaded with reporters in Jerusalem as an aide darkened the room and began a screening of three alluring TV shorts singing the praises of Tel Aviv, Tiberias and Haifa.

"Shlomo Lahat is sure of reelection and doesn't need any help from me," Sharir said, referring to the incumbent mayor of Tel Aviv.

"All these films do is show the average Israeli that it is a pity to travel abroad and spend lots of foreign currency when he can see plenty of sites and have a good time right here in Israel."

According to Sharir, approximately 150,000 Israelis left for overseas holidays in July alone — an increase of 33 per cent over July of last year. Last year, Israelis spent \$850 million on holidays abroad, almost four times as much as they spent on internal tourism.

"Despite the imminent upturn in internal tourism as a result of these broadcasts," Sharir continued, "Lapid arbitrarily and undemocratically ordered them off the air after a hurried phone call — without even asking for a formal ruling — to the attorney-general."

And when I went to the Broadcasting Authority managing committee to protest, I was told I could not do so since most of the members were abroad, possibly on holiday."

Sharir warned that Lapid's action constitutes a breach of contract, "and if the broadcasts are not restored soon, we shall go to court. Those films cost us \$56 million to produce," he said.

Other speakers at the press conference were Tiberias Mayor Yigal Bibi, the tourism directors of Tel Aviv, Haifa and Netanya, and the president of the Hotel Association. All stressed the fact that the mayors of the film-featured cities are members of various political parties and deplored the fact that the livelihoods of thousands of families will suffer if even more Israelis

decide to travel abroad for their holidays.

In a reaction to Sharir's press conference, the Broadcasting Authority spokeswoman said: "Lapid was directed by the management committee to ask the attorney-general for an opinion on the legality of screening these shorts in view of the law that forbids political campaigning in a cinema or on television in the 125 days preceding elections."

"Mr. Lapid was advised to halt the screenings and did so. It is inconceivable that he should restore them just because a minister wants them back on the air. If Attorney-General (Yitzhak) Zamir changes his mind, the Broadcasting Authority will be happy to bring them back."

Fund shortage may shut Moadon Ha'oleh

By JUDY SIEGEL
Jerusalem Post Reporter

Moadon Ha'oleh, which has been running activities for immigrants and a Hebrew *ulpan* in Jerusalem for the last 15 years, is in danger of closing.

Georges Weill, volunteer chairman of the centre has ordered that no students be registered for the new *ulpan* semester that was due to begin in September with 300 pupils. In addition, the 10 employees of the centre — housed in a handsome building on Talbiya's Rehov Alkaleh — have been told that they will be dismissed at the end of September unless deficits are covered.

The centre is supported by funds from the Absorption Ministry, the Jewish Agency and the municipality. Weill says that at least \$54 million are needed to prevent its closure. The ministry and the Jewish Agency have transferred to the centre half its allocation until now, with half of the fiscal year over. But Weill notes that the

allocations are not linked to the index and do not fully take into account spiralling inflation and wage rises.

The institution's closure would mean the end of operations of the dozen immigrant associations housed there, since they have separate budgets. The municipality pays the salaries of the Hebrew teachers, but Weill says the fees for the courses do not cover the cost of operating the *ulpan* and registering students. There are 700 dues-paying members of the centre in addition to thousands of immigrant association members.

Deputy Mayor David Bergman said yesterday that a meeting will be held on Sunday to find ways to save the moadon. Yehuda Dominitz, director-general of the Jewish Agency's immigration department, said that it too, will do all it can to help.

Jewish Agency officials denied rumours that the agency is interested in seeing the centre close so the immigration department could take over its offices.

TA police crack cocaine smuggling ring

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Four men were arrested here yesterday and Tuesday following the discovery of what police believe is the first network specializing in the import and distribution of cocaine in Israel.

Police sources said yesterday that cocaine, also called "the drug of the aristocracy" thanks to its rarity and high price, costs about \$7,500 a gram, or \$2,500 a dose, and is therefore seldom used in Israel.

After several weeks of surveillance, central unit detectives arrested the first man on Tuesday, as he was driving down Sderot Ben-Gurion. When they searched the suspect, a 28-year-old Givatayim resident, police found 11 grams of cocaine wrapped in a plastic bag. In his apartment, they found a small quantity of opium, police said.

Another man in the car was also arrested and put police on the tracks of the main suspect, a Jaffa resident who police believe imports cocaine into Israel and distributes it here. Raiding the man's apartment, police arrested a 26-year-old Givatayim resident who was there at the time, and seized 3.6 grams of cocaine, marijuana and an illegal amount of foreign currency.

During his interrogation, the main suspect said he had bought the cocaine in Columbia for his personal use, police said.



Former world surfing champion Shaun Tomson of South Africa (left) arrives yesterday at Ben-Gurion Airport, on his way to sponsor Israel's national surfing championship, to begin on Sunday off the Tel Aviv Hilton Hotel beach. The championship, also sponsored by Bank Leumi, is expected to draw 30,000 spectators on each of the five days of competition. The winners will represent Israel in the coming world championship in France. (Rosenbaum, Israel Sun)

Calls come in on Grunzweig investigation

Jerusalem Post Reporter

Police yesterday began receiving telephone calls on a special line set aside for information about the Emil Grunzweig slaying. One of the callers has aroused police suspicion by calling, not saying anything and then hanging up about once or twice an hour.

Already, six of 14 eyewitnesses police want to question and were unable to identify, have been identified by either friends or themselves, after photographs of the 14 were shown on Israel Television, and some printed in *The Jerusalem Post* (second edition). All those identified so far, police sources said, were Peace Now demonstrators and are not considered suspects in the grenade attack on the Peace Now demonstration outside the Premier's Office last February 10.

Christian group makes propaganda for Israel

Jerusalem Post Reporter

Bridges for Peace, an evangelical Christian non-profit organization based in Jerusalem, is embarking on a concentrated campaign against Arab propaganda in American universities. Director Clarence Wagner told the Jerusalem Rotary Club yesterday.

American universities are inundated with Palestinian students, PLO agitators and Saudi Arabian funds all working hard against Israel, said Wagner, who recently returned from a prolonged information tour of the U.S., putting forward Israel's position. He is leaving soon on another tour.

Kfar Sava observers enforce traffic laws

Jerusalem Post Staff

KFAR SAFA. — Observers from the Council for the Prevention of Traffic Accidents, working for the first time as volunteers in the Civil Guard, took part in a campaign here this week to enforce traffic regulations.

It was the first time that council observers used their authority to enforce the regulations, a spokesman said.

Matzad to compete in local elections

Jerusalem Post Reporter

TEL AVIV. — Matzad, the national religious breakaway party, will be in the running in municipal elections in October. It announced yesterday it will field candidates in Bnei Brak, Tel Aviv and Jerusalem.

Matzad, an acronym for *Mahaneh Zioni Dati* (Religious Zionist Camp), is headed by MK Haim Druckman and Yosef Shapira, former chairman of YOUTH Aliyah.

Matzad's Tel Aviv offices said the group will run a candidate for mayor in Bnei Brak, and have candidates for city council in Tel Aviv

Ha'aretz Museum to get new name

Jerusalem Post Reporter

TEL AVIV. — The Ha'aretz Museum will change its name to the Tel Aviv Museum of Eretz Israel, the municipal spokesman announced yesterday.

Museum director Rebavam Ze'evi said the museum will also change its legal status from private non-profit association to public agency. He said the new name will reflect changes in the emphasis of the museum, which will concentrate on the history of the Land of Israel.

The new name was approved by the executive commission of the municipality, but still has to be debated and approved by the city council.

Women hold only 2% local government jobs

Jerusalem Post Reporter

TEL AVIV. — The proportion of women elected to Israel's local authorities has gone down from 4 per cent in 1950 to 2 per cent today, and is now the lowest in the western world, according to an interview with Prof. Shevach Weiss which appears in this month's issues of *Nahar* magazine.

In 1959 there were 3.4 per cent, or 34 out of 1,008; in 1969, 2.8 per cent, or 35 out of 1,081 and after the 1978 elections 2 per cent, or 41 out of 2,000.

Weiss pointed out that no woman in the country serves as a local council chairman, mayor or deputy mayor. And women who do get elected to local councils are relegated to names committees, prizes committees and other marginal jobs which do not prepare them for (or prepare the public to accept them in) more responsible positions.

IDF exhibition closes

The Israel Defense Forces exhibition at the Tel Aviv Fairgrounds ended late Tuesday night after a 23-day run. More than 700,000 people visited the exhibition, exceeding all previous attendance at fairground events of the same length.

Blood was donated by 2,400 visitors to the Medical Corps exhibit, where it was collected under field conditions. The IDF spokesman said the fair cost \$83 million, but took in \$23m. in admission receipts.

Music at bar mitzva ends with band's arrest

ASHKELON (Iim). — A band of musicians playing at a bar mitzva party were arrested late Tuesday night after failing to accede to police warnings about playing their music through powerful loudspeakers after 11 p.m.

The members of the band were booked and released, but their instruments remained with the police as exhibits for court.

J. Herbstein, 85, South African Zionist

South African Supreme Court justice Joseph Herbstein, who died on Tuesday, was a long-time Zionist leader who settled here in 1963 following his retirement.

He was born in South Africa on September 29, 1897. He graduated from Rhodes University in 1915 and won his LL.B. cum laude from Cape Town University. Herbstein was one of the few Jews to be elevated to the South African Supreme Court, where he served from 1946 until 1962. In 1962 he was awarded the Freedom of Cape Town.

Herbstein was a dedicated and outspoken Zionist who won recognition for his tireless efforts for Zionism and the State of Israel. As a member of the South African Zionist Federation, he mobilized funds in the early days of Israel for South African settlers in need of housing and education. He himself immigrated at the age of 65, and selflessly dedicated himself to the promotion of local educational institutions, hospitals, charities and cultural organizations.

He chaired the Israel Committee of the South African Zionist Federation for four years and led drives for its bursaries and



Joseph Herbstein

scholarships committee. Herbstein was responsible for grants and bequests from over 80 trusts, amounting to millions of dollars, established here by South African Jews.

Two of his children came here to serve during the War of Independence. His son Frank Herzl Herbstein became professor of chemistry at the Technion and was a former chief scientist at the Council of Science and Industrial Research. His daughter Nina was a founder of Kibbutz Shoval and today is an economist. (A.Z.)

Court rejects appeals, but tells Shin Bet to keep files

The Supreme Court yesterday rejected appeals by two residents of the territories sentenced to life terms for murder and acts of terrorism. But the court criticized the General Security Services (Shin Bet) for the manner in which it conducted its interrogation of the pair.

Adnan Abu Sanina and Musa Ahmed Oudeh told the court that their confessions were obtained after they were beaten and threatened, and therefore their conviction by the district court should be set aside.

The three-justice court of appeal panel rejected the appeal of the two men. The decision, written by Justice Eliezer Goldberg, said that

the evidence and testimony presented in the lower court trial convincingly pointed to the guilt of both men.

But Goldberg noted that one of the General Security Services witnesses who testified at the earlier trial, identified only as "Samir," said that records, documents and papers signed by suspects are not routinely kept. Some are even destroyed, said "Samir."

GRAM — Image Promotion Systems

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Iberia, the international Spanish airline, is proud to inaugurate direct routes to Tel Aviv. Iberia, the seventh largest airline in the world — second largest in terms of passengers carried in Europe — will now operate two flights a week to Israel: Madrid-Tel Aviv flights every Wednesday, and Madrid-Barcelona-Tel Aviv-Barcelona-Madrid every Friday. The direct flights (no intermediate touch-downs) are operated with DC-10 and Boeing 727 aircraft.

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U.S. confirms Soviet ship queried on way to Nicaragua

WASHINGTON (AP). — The U.S. Navy guided missile destroyer USS *McKim* queried a Nicaraguan-bound Soviet cargo ship late Saturday in an apparent move to demonstrate that the U.S. is closely watching for seaborne arms shipments into Nicaragua.

U.S. Defense Department sources yesterday confirmed a Cuban news agency report that a U.S. warship hailed to freighter Alexander Ulyanov and asked it to identify itself, list its cargo and give its destination.

The Pentagon sources, speaking on condition they remain

anonymous, said the *McKim* part of the eight-ship battle group headed by the carrier *Ranger*, hailed the Ulyanov in international waters north of Costa Rica.

The request for information on the cargo ship's destination and identification was not unusual, said the sources, but the query about the Ulyanov's cargo was "not normal."

Although the Ulyanov's skipper was not obligated to reply to the question about what the ship was carrying, the sources said the Soviet ship told the Americans that it had general cargo aboard.

According to the sources, the

McKim queried the Ulyanov by voice, which would indicate the two ships came rather close.

The Ulyanov's skipper filed a protest with the Nicaraguan government after arriving on Monday at the port of Corinto, the sources said.

The carrier *Ranger* and seven other ships have been patrolling off the Pacific Coast of Central America since last week in what the Pentagon said is a demonstration of U.S. support for friendly countries, such as El Salvador.

U.S. President Ronald Reagan

last week said the Ulyanov was carrying military supplies from the Soviet Union for the leftist Sandinista government of Nicaragua.

Nicaraguan officials denied the allegation and said the ship bears agricultural and road-building machinery, medicines and other general cargo.

In Moscow, the official news agency TASS, although not specifying that a U.S. navy vessel questioned a Nicaraguan-bound Soviet ship, said yesterday the U.S. was ignoring international sea law off Central America.

Both Iran, Iraq claim to have repelled each other's attacks

NICOSIA. — Iranian forces have repulsed an Iraqi offensive against Shaluneh west of the Iranian port city of Khor Amshahr on the Shatt al-Arab waterway, forcing the enemy to retreat leaving behind 500 soldiers dead, IRNA the official Iranian news agency reported yesterday.

The agency said the Iraqis began the attack late Tuesday afternoon with the aim of seizing a strategic embankment and strengthening their observation posts in the region.

Meanwhile, Iraq said yesterday its forces had repulsed another Iranian attack in the central sector of

the Gulf war battlefield, killing several hundred Iranian troops and destroying 10 tanks and other equipment.

The official Iraqi news agency said Tuesday night's attack was the latest in a series of Iranian thrusts east of Zurbatiya, about 160 kms east of Baghdad, since Iran launched an offensive in the area last Saturday.

Cumulative figures from official Iraqi reports give Iranian casualties at about 7,500 dead in the offensive, which has involved some of the fiercest fighting since the war started nearly three years ago. The reports have not given Iraqi

casualties.

In Teheran, a military communiqué quoted by IRNA said more than 6,000 Iraqis have been killed or wounded in the fighting, during which Iranian troops seized a strip of Iraqi territory.

IRNA quoted Kamal Kharrazi, head of the war information headquarters, as saying that Iran expects Iraq to react to the victories of the Islamic (Iranian) forces by launching a missile attack on Iranian border cities.

Kharrazi was quoted as saying the Iranian information minister had issued a warning to expect Iraq to "make some Iranian cities disap-

pear from the face of the earth."

Iraq said yesterday it would flatten Iranian cities if Iran continued to shell Iraqi civilian targets.

"We warn that we will retaliate most severely and wipe complete Iranian cities from the face of the earth if this (Iranian) regime continues to shell our civilian targets," Culture and Information Minister Latif Nassif Jaesem said. (AP, Reuters)

Computers can make you see 'fuzzy pink'

BOSTON (Reuters). — Spending long periods in front of a video display screen may produce a vivid optical illusion that can linger for more than a day, three Northwestern University researchers report in the *New England Journal of Medicine*, published yesterday.

The team noticed that after spending many hours staring at the green characters on the screen of their IBM computer, white chalk lines on a blackboard began to look pink and sheets of white paper seemed to have fuzzy pink edges.

The illusion is harmless and fades over time, the doctors said, but they wanted to alert physicians that the growing popularity of computers and lingering questions over their associated health hazards may prompt some computer users to seek medical advice.

"Physicians should be aware of the phenomenon so as not to mistake it for a hysterical symptom or a manifestation of neurologic disease," they said.

VISIT. — Nobel Peace Prize laureate Mother Teresa is paying her first visit to Poland, at the invitation of Roman Catholic primate Cardinal Jozef Glemp, a church spokesman in Warsaw said yesterday.

Life better than normal,' Sri Lanka official says

COLOMBO, Sri Lanka (AP). — Law and order have been rapidly restored across this battered island nation, and the capital is safer than in normal times, a government spokesman was quoted as saying yesterday in a report censored by the Sri Lankan government.

The death toll from the ethnic violence that erupted on July 23 and continued for more than a week has risen to 267, Douglas Liyanage, secretary in the Ministry of State, told reporters.

Police also have reported 1,148 cases of arson, 76 incidents of looting, 296 cases of "mischief" such as robbery and theft, and 96 other incidents of violence, he said.

"That is better than in normal times," Liyanage said.

At least 460 people have been arrested for looting or arson.

The government also announced the arrest of another senior member of three banned Marxist parties. There have been 19 political arrests, and 12 other leftist politicians are being sought.

The government also continued to ease a nationwide curfew imposed last Friday. For the third straight day, the start was pushed back an hour.

Meanwhile, Minister of State Amandatissa de Alwis said Sri Lanka has asked the U.S. to donate 30,000 tons of wheat. He said Sri Lanka has sufficient stocks of rice, sugar, and other commodities, but there is a shortage of flour in the Colombo area.

The government said the violence has left 79,000 homeless people, mostly Tamils. They are being sheltered in special camps around the country, de Alwis said.

In Washington, deputy State Department spokesman Alan Romberg said on Tuesday that the Reagan administration is considering providing new aid to Sri Lanka following the disturbances.

The Agency for International Development announced on Monday that \$25,000 in aid funds already have been provided by the U.S. Embassy in Sri Lanka "to meet urgent needs."

Solidarity urges transport boycott

WARSAW (AP). — The underground leadership of Solidarity is urging people throughout Poland to boycott public transportation on the afternoon of August 31 and stage protest marches to mark the third anniversary of the outlawed union's birth.

"Let the streets be ours, the way they were when the transport workers went on strike in solidarity with the Gdansk shipyard," said an underground leaflet, handed to western correspondents yesterday.

The leaflet referred to events of August 1980, when the independent

labour federation was born in strikes that began at shipyards in the Baltic port of Gdansk.

Meanwhile, Solidarity leader Lech Walesa denied in an interview published yesterday that Pope John Paul II asked him to retire from politics when they met in Poland in June.

"No, during our meeting near Zakopane, the holy father did not tell me anything of the kind," Walesa was quoted as saying in the interview in the Italian weekly *Gente*.

S. African boy gets second extra heart

CAPE TOWN (AP). — In a rare operation, surgeons have transplanted a second heart into a 16-year-old boy who already had a "piggy-back" transplant, giving him two implanted hearts.

A team at Groote Schuur hospital, the base for transplant pioneer Dr. Christian Barnard, carried out the operation on Monday night and Tuesday morning, a hospital spokeswoman said yesterday.

The boy, Gert Cronje of Rusten-

burg, had received a "piggy-back" or second heart transplant two years ago to assist his own weak heart, said the spokeswoman. The piggy-back operation is a fairly common heart transplant technique, she said.

The boy's own heart failed recently, and he survived in a weakened condition solely with the piggy-back heart. One of Barnard's surgical teams decided to replace the boy's original heart with a second donor heart from a 13-year-old girl.

Egyptian priest urges pardon of Coptic pope

CAIRO (Reuters). — An Egyptian priest has appealed to President Hosni Mubarak to reinstate Coptic Orthodox Pope Shenouda and return him to his diocese.

Father Marcus Aziz Khalil of Muallaka Church in Cairo, Egypt's

oldest church, made the plea in an open letter in the weekly *Al-Ahali*, journal of the leftist Unionist Progressive Party.

Pope Shenouda was stripped of his temporal powers and banished to a desert monastery in 1981.

Belfast grandmother convicted for aiding IRA

BELFAST (AP). — A 71-year-old grandmother, Rose Harvey, was convicted by an anti-terrorist, no-jury court yesterday of allowing IRA guerrillas to use her home for secret meetings.

In Northern Ireland's longest terrorist trial, Harvey was among five Belfast Roman Catholics found guilty of belonging to the outlawed Provisional Irish Republican Army or of aiding the guerrillas in their campaign to end British rule in the province.

She is believed to be the oldest person convicted of terrorism-

related charges in Ulster's 14-year-old sectarian conflict.

Judge Basil Kelly, wearing a bullet-proof vest under his black robes, also found Pauline McKinney, 42, and her son Mark, 19, guilty of belonging to the IRA. McKinney's husband Edward, 45, has also been charged with membership.

Kelly, a former provincial attorney-general, delivered the verdicts on the second day of judgments against 33 men and five women from Belfast's Catholic enclave of Ardoyne.

The 38 defendants had been

named as IRA activists by an informer, Christopher Black. They face a total of 184 charges, including murder and bombings, in a trial that has lasted 119 days.

Kelly, who has worn the bullet-proof vest throughout the trial, delivered his verdicts amid unprecedented security at Belfast Crown Court.

Police marksmen carrying carbines stood guard in the courtroom. Outside, other sharpshooters manned rooftops, and armed officers of a crack anti-terrorist unit ringed the Victorian building.

Sports

Glickstein wins

INDIANAPOLIS (AP). — Shlomo Glickstein, seeded No. 7, beat Mark Dickson (U.S.) 6-3, 6-4 in his first match in the \$300,000 U.S. Open Clay Court Championships here. The main surprise of the tournament to date was the defeat of top-seeded Jose Higueras by Jimmy Brown 6-2, 6-2.

Bowie Kuhn quits

BOSTON (AP). — Bowie Kuhn, the embattled Commissioner of Baseball, handed in his resignation yesterday as the Major League team-owners met at their annual summer meeting to pick his successor. Kuhn said his resignation will be effective on December 31, "or until a successor is selected."

Tuesday's Games

National League
New York 5, Montreal 2; Pittsburgh 10, Philadelphia 3; Chicago 5, St. Louis 3; Houston 4, San Diego 2; 12 innings; Los Angeles 3, Cincinnati 1; San Francisco 7, Atlanta 5.

American League

Toronto 10-13, New York 9-6, 1st game, 10 innings; Cleveland 3-4, Baltimore 1-3; Milwaukee 5-3, Kansas City 1-2; Chicago 7, Detroit 5; California 2, Minnesota 1; Boston 6, Texas 5; Seattle 15, Oakland 12.

Coe hospitalized

LEICESTER (AP). — Sebastian Coe, Britain's middle distance running star, entered hospital on yesterday to undergo tests for a glandular condition that forced him to withdraw from next week's World Track and Field Championships in Helsinki. Last year, Coe contracted glandular fever in Athens. His career is now in jeopardy.

Rescue at sea

NEWPORT (AP). — A crewman on the America's cup yacht "Australia II" was rescued on Tuesday when he suffered a broken left arm at the top of the mast in blustery southwest winds.

The rival British syndicate, hearing a radio call for aid, sent a Navy medic to treat the crewman, Scott McAllister, 31, then rushed him ashore for hospital treatment.

A backup technician assisted in freeing McAllister's arm from a broken fitting and lowering him to the deck.

McAllister was reported to be in good condition on Tuesday evening at Newport hospital.

Jerusalem run

A 7 km. run, organized by the Jerusalem municipality's sports department, was won yesterday by Haim Ivgy in 18 minutes, 57 seconds; Shlomo Meir came second. The women's run was won by Esther Fried, the over-35 men's event by Adrian Tomer, and the over-50s by Pessah Shindler. All the last three are members of the Trailblazers Running Club.

Jail for Soviet driver

MOSCOW (AP). — The driver of a bus which was rammed by a train, killing an unspecified number of passengers, has been sentenced to 15 years imprisonment, the trade union newspaper *Trud* reported yesterday.

The newspaper said the crash near Leningrad resulted in "dead and injured," but gave no figures. Nor did it say why the driver was sent to prison.

Local Authority Elections — 1983

- On Wednesday, July 27, 1983, the Knesset passed the Local Authorities Law (Financing of Elections) (Ad Hoc Instructions) 1983, which provides for financing by the Treasury of the election expenses of all factions and lists. This financing will be provided only to factions and lists that comply with the requirements of the Law.
- (a) The text of the Law, notification and declaration forms, and the other documents referred to in the Law will be available from the undermentioned offices of the Ministry of the Interior from Monday, August 8, 1983.

Town	Address	Apply to:
1. Jerusalem	1 Shlomzion Hamalka	Nessim Zeitani
2. Upper Nazareth	Government House	Mordechai Lahiani
3. Safad	Rehov Yarushtalyin	Adina Agmon
4. Afula	Bait Shmargad	Hazm Z'ehi
5. Tiberias	Government House	Rachal Segalovitz
6. Acre	Police Building	Yasov Harush
7. Haifa	11 Hassan Sokeri	Avraham Vaaknin
8. Hadera	73 54, Haneset Weizmann	Sara Shoshan
9. Ramla	74 54, Herzl	Yoram Rabbai
10. Petah Tikva	10 Hasez	Ovadia Lalo
11. Rehovot	24 Binyamin	Shimshon Tsabari
12. Netanya	14 Remez	Bracha Eliyada
13. Tel Aviv	Shalom Mayer Tower, Ahd	
14. Beersheba	Ha'am (15th floor)	Menachem Mals
15. Ashkelon	Derech Hanessim	Anat Sasson
	Area Caotse	Yasov Cobee

- The declarations, notifications and other forms may be lodged with the Minister of the Interior directly (Ministry of the Interior: Kiryat Ben-Gurion, Jerusalem) or by handing them in to one of the above clerks of the Ministry.
- (c) The declarations, notifications and other documents are to be submitted in five copies. One copy will be returned to the person submitting the documents, together with confirmation that the documents have been received.
- (d) The information given in this notice regarding the submission of documents does not apply to the local branches of political parties. These local branch parties will be dealt with through their factions in the Knesset.

3. For the convenience of those interested, the main dates given in the Law are listed below:

TIMETABLE

Date	Appointed as —
August 15, 1983	(1) Determining date Last day for changes in factions making up the local authority (identification of factions) (2) Last date for opening a bank account
August 22, 1983	(1) Last date for submitting notifications (requests for financing) to the Minister of the Interior by optional parties, parties and lists (2) Last date for national parties, parties and lists to give notice of the appointment of an auditor
August 25, 1983	Last date for the submission of a bank guarantee (valid until February 15, 1984)
August 30, 1983	Last date for the start of operations of accounting system

- For the attention of all heads of town councils and local councils, and council members:
August 15, 1983 is the date given in the Law as the last date on which factions in local authority councils can register for self-identification, both for the purposes of elections financing, and in order to comply with Section 23 of the Local Authorities Law (Elections) 1983. Accordingly, Section 25 of this Law is amended, the effect of the amendment being to substitute August 15, 1983 for the date given in the Law. Local authority councils are to hold meetings by this date, for the purpose of recording the names of the factions, the number of council members belonging to the various factions, and the representatives of the factions given power of attorney.

- For the purposes of financing, distinctions are made between —
a. Subsidiary factions of the factions in the Tenth Knesset. Financing will be paid to the factions in the Tenth Knesset, which will apportion the money as they see fit. All notifications and declarations will be submitted by the faction in the Tenth Knesset.
b. Factions to local councils which are not subsidiaries of factions in the Tenth Knesset will themselves submit the notifications and declarations.
c. A group of voters that intends to submit a list of candidates for the elections for any local authority must announce its intention so to do by means of a declaration and notification, by August 22, 1983.

- A faction in a municipal council now completing its term must take the following action, by August 22, 1983:

- Submission of notifications and declarations.
1) Faction notification — The faction must advise the Minister of the Interior how many members it has on the council on August 15, 1983. This notification is to be signed by all the faction members, and is to give the names of the person empowered to act in the faction's name, and his deputy. A copy of this notification is to be sent to the chairman of the municipal council. The Minister of the Interior is to be informed of the names of not less than two and not more than eight representatives, empowered to act in the name of the faction, for the purposes of the Law.

- One of these representatives must be a member of the faction. At least one representative must make a declaration that he is familiar with the faction's finances. The faction is to make a confirming declaration that these one or more representatives are, in fact, familiar with the faction's finances.

- Representatives' notification and declaration — A faction must submit to the Minister of the Interior a declaration signed by its representatives, to the effect that the faction has taken all necessary steps to ensure the proper keeping of accounts of its income and expenses during the election period, in accordance with the instructions of the State Comptroller on this subject. (These instructions will be published separately.) An additional declaration is to be made on this form by the representative familiar with the faction's financial arrangements, confirming his familiarity. The faction is to advise the Minister of the Interior of the number(s) of its bank account(s).

- The faction is to advise the Minister of the Interior of the name and address of its auditor, in accordance with Section 13 of the Law. To this notification, written confirmation of the auditor's agreement to audit the faction's books is to be attached. (This agreement is to be recorded on a separate form.) This requirement does not apply in the case of local councils where the number of voters does not exceed 3,000. In accordance with Section 9 of the Law, an advance payment will be made to a faction at list "if it provides the Minister of the Interior not later than August 25, 1983 with a bank guarantee, valid until February 15, 1984, in which the bank undertakes to pay the Treasury the amount of the guarantee or part thereof, on demand by the Minister of the Interior; the amount of the guarantee is to be the amount of the advance payment requested, plus 10%."

- A faction is entitled to request an advance payment of 60% of the amount which would be due to it, if it won the same number of places that it held in the outgoing council.
A list is entitled to request an advance payment, as if it had one member in the outgoing council. The financing due per representative is explained in Section 4(a) of the Law.
The expenses a faction or list may incur in connection with the elections is determined by the advance payment it receives, and is not to exceed 350% of the amount of the advance payment due to it. A faction which has less than three members in the outgoing council, and a list are entitled to incur expenses in the elections as if they had three members in the outgoing council.

- New Lists
A list requesting financing will submit notifications and declarations, in the same way as a faction, except with regard to the number of members in the outgoing council. The representative empowered to act on behalf of the list, and his deputy are to be candidates in the elections on behalf of the list concerned, on the day of the elections.

Notifications are to be submitted by August 22, 1983.

Open Line — Elections Financing

On Wednesday, August 10, 1983, the Ministry of the Interior will answer questions on the above subject by phone between 3 and 6 p.m. Those interested should dial 02-660151 (10 lines).

Dr. Meir Shaham
National Elections Supervisor

ELSCINT LIMITED

NOTICE OF ANNUAL AND EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS

Haifa, August 3, 1983

The Annual General Meeting and an Extraordinary General Meeting of Shareholders of Elscint Limited will be held at the offices of Elscint, Inc., at 930 Commonwealth Avenue, Boston, Massachusetts, U.S.A. on September 19, 1983, at 2.00 p.m. for the following purposes:

- To receive and consider the Balance Sheet and Statement of Income of the Company and its subsidiaries.
- To elect eight directors for the coming year.
- To ratify the Company's Key Employee Share Incentive Plan.
- To direct the Management of the Company to take all necessary steps to present the Financial Statements of the Company in U.S. Dollars only, according to United States Generally Accepted Accounting Principles.
- To appoint auditors and fix their remuneration.
- To increase the share capital of the Company to IS 1,000,000 and to redivide it into 25,000,000 Ordinary Shares of a nominal value of IS 0.04.
- To amend Article 42 of the Articles of Association of the Company.
- To transact any other business properly brought before the Meetings.

Shareholders of record at the close of business on July 20, 1983 will be entitled to notice of and to vote at the Meetings.

Shareholders who are unable to attend the Meetings in person may complete and send to the Company a form of Proxy.

Joint holders of shares should take note that, pursuant to Article 57 of the Articles of Association of the Company, the vote of the senior of joint holders of any share who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holders of the share, and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.

DR. AVRAHAM SUHAMI
Chairman of the Board
and Chief Executive Officer

HARVEY BURTON
Advocate
Secretary

NOTE: A formal notice of the Meetings, with Proxy Statement and Form of Proxy, is being mailed to each shareholder.

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Engineering creativity

By LIORA MORIEL / Jerusalem Post Reporter

PROFESSOR RUTH LETAN, head of the mechanical engineering department at the Ben-Gurion University of the Negev in Beer-Sheva, is very proud of her students. "I think that we give our students a physical understanding of the engineering systems in the basic subjects and the latest tools to make them creative. That's why our graduates are very much in demand — we have a good reputation."

Letan does not believe that students come to her department because they were not accepted by the Technion in Haifa. The 380 mechanical engineering students (four female students included) are



Prof. Ruth Letan

very carefully selected and are all very good. The department has 40 post-graduates and 25 senior staff (including one woman.) The department is trying to update its laboratory facilities. "To give our students the best training possible, we are investing most of our resources in preparing laboratories and in buying the latest equipment. We train them from the moment they first enter the laboratory; for example, they are taught to use microcomputers from the first year, with increasingly complex courses given in computers throughout their four-year course of study. We also give our students mechanical laboratories in which we help them develop a sense of the physical systems."

To do that, a machine element was developed for mechanical design. Even the first-year students use it. The students continue to use the lab in many ways until the end of their studies, including a final project.

Letan points out that, sometimes, these final projects are so good that they are patented officially and even presented in professional conventions. "Sometimes, the final product serves us in our various laboratories, saving us the trouble of buying a similar instrument for a much higher price overseas!"

EVERY BASIC study the student undergoes, says Letan, is accompanied by a compulsory laboratory. "This is highly irregular in terms of

other universities, but once the student gets some theoretical background, he gets experiments to carry out so as to make it all concrete in his mind." For lack of funds, the students and staff put together most of the equipment for these labs themselves, from parts and pieces donated by the army and industry.

BGU mechanical engineering graduates have the reputation of being "doers." But, Letan warns, if funds are not found for building more labs and equipping them properly, this may have to change. "In other countries, where industry is situated near a university, industry is aware of the fact that money it may spend on engineering students is paid back with interest once gifted engineers graduate."

Letan herself studied first at the Technion, after army service (she taught pilots to use flight instruments in simulation) then went to London to study nuclear engineering at the Imperial College. Her doctoral research on heat transfer was done at Cambridge. After the birth of her daughter, Letan returned to the Technion, where she completed her doctoral thesis. Letan became the first woman on its senate, once she became a professor. "I think that today there are perhaps five of us in the 185-member senate."

She says that she was not surprised to be the first woman-professor from the field of engineering at BGU — she is today the country's only female head of an engineering department — but surprised to be the first woman at all! Subsequently, women were named to professorships in other departments.

IN 1976/77, Letan was visiting professor at Stanford. There, she recalls, she was asked to appear in a panel discussion on the professional advancement of women: did they really vie equally with men for top positions, or did they only get those positions already discarded by men? (As, she says, happened in Israel in the field of education and in Russia in the field of medicine.)

At the time, great strides were being made by women — but, unfortunately, artificially. Thus, because of pressure to advance women, blacks, and other minorities in top jobs, women seemed to catapult into prominence. But, further down from the token top, women advanced "naturally," according to their own qualifications.

Before the panel discussion, Letan sought facts and figures about women at work in Israel, knowing that Israel is perceived to be an egalitarian society — after all, Golda Meir was prime minister before the women's movement peaked. "The figures were so low that I was embarrassed to quote them — they even had me surprised!"

IF IT WEREN'T for government subsidies, no Western farmer would make a living. Even in the United States, where farming has reached pinnacles of efficiency, subsidies are still massive.

Yet, though farmers depend on their governments, there is a lot they can do for themselves by utilizing the state-of-the-art assistance agricultural engineering can provide, claims Professor Benjamin Zur, dean of the Technion's Agricultural Engineering Faculty — largest in the world, with 70 more students than its counterpart at the University of Texas.

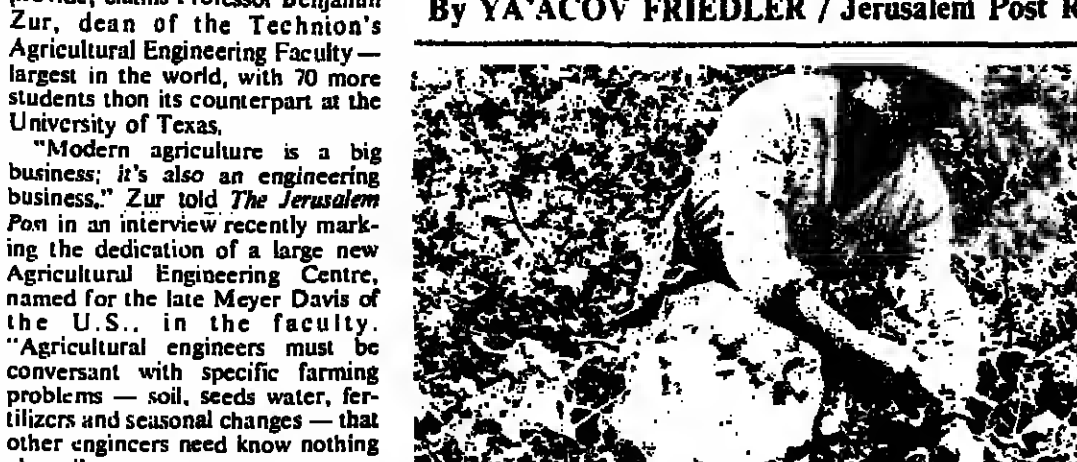
"Modern agriculture is a big business; it's also an engineering business," Zur told *The Jerusalem Post* in an interview recently marking the dedication of a large new Agricultural Engineering Centre, named for the late Meyer Davis of the U.S., in the faculty. "Agricultural engineers must be conversant with specific farming problems — soil, seeds, water, fertilizers and seasonal changes — that other engineers need know nothing about."

Modern engineering methods have taken a lot of the backache and much of the heartache out of farming, but they have made agriculture investment intensive with high-capital risks. At the same time, marginal profits are contracting, forcing the farmers to mechanize and automate to save on expensive manpower, or go under.

ZUR NOTES that Israel has made a name for itself worldwide in two spheres: the military and the agriculture. "We get higher yields

High price of success

By YA'ACOV FRIEDLER / Jerusalem Post Reporter



but at higher costs, especially of expensive fertilizers," he notes. Some branches of farming are becoming unprofitable, and even our famous citrus growers have started cutting down some of their trees, being unable to compete with produce from countries where labour is cheap, such as Spain and Morocco.

Our kibbutzim quickly adapted themselves to the contracting profitability of farming by establishing industries. This kind of bending with the winds of change is relatively easy for such highly

organized and closely knit communities. But in the moshavim, where the individual farmer tries to make a living from his land, the problem is "critical," according to Zur. For these farmers, especially, greater exploitation of the advantages agricultural engineering can provide "is probably their last chance of holding on, by making their work more efficient."

"Achieving yet higher yields with less water, less fertilizers and less energy, is the only way to compete with cheap-labour countries," stresses the agriculturalist.

The Technion faculty does a lot of research on the optimal use of fertilizers (so expensive that on many farms today it's the fertilizer and insecticide storage sheds that are put under guard) and is working on ways to prevent their seeping into the ground water table and polluting it.

Fertilizer optimization can be achieved through controlled automation, setting a micro-computer to the task of applying the right amount of fertilizers at the right depth in the soil at the right time of the day and year. For instance, heavy fertilizing during the rainy season will simply wash down into the groundwater; fertilizing just before irrigating the field in summer will have the same effect.

The micro-computer is quickly taking over many farming chores and saving expensive manpower, though it is still quite expensive, but its cost is dropping as technology improves and markets grow. The cost of manpower, on the other hand, moves in only one direction: up.

The faculty operates a special laboratory for control and automation, recently established through a \$300,000 grant from an Israeli donor, where specialists are developing automated greenhouses which need hardly any attention and use the least possible amount of expensive energy for the greatest benefit to the plants.

Control and automation is also being increasingly applied to irrigation, in which Israel is a world leader. First developed for security reasons, to spare border farmers the

risk of going into outlying fields to turn the water on and off, automation has now become an end in itself and is doing very well.

Automation has already replaced most of the work involved with the computers following a preset programme, albeit with their own adaptations, as sensors feed continuous information to the computer brain. Zur is looking forward to the day when the faculty will get the microchips to "think" for themselves, and, he says it may not take very long.

Faculty specialists have already done widely recognized work on automated milking and dairy herd husbandry, both for cows and sheep, developing integrated systems in which the milking machines themselves imported, form only one facet.

For reasons that have not yet been explained, says Zur, there has been a spurt in the number of students opting for agricultural engineering during the past two years. The freshman class, which used to number 40 to 50 students, has now grown to 70, and altogether 370 students are presently taking the four-year course. They specialize either as water and soil engineers or as agricultural mechanics engineers, and include a number of Arab students.

What the faculty — the only one of its kind in Israel — is aiming for, is fewer farmers harvesting more crops, grown with less of everything from calloused hands to water — with higher profits. Some of these objectives have already been achieved; others are within sight; some are still in the future.

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Prison of illiteracy

By MICHAL YUDELMAN / Jerusalem Post Reporter

MORE THAN 40 per cent of Israel's Jewish prisoners are illiterate, even though they have completed eight years of elementary study in Israel and have the Education Ministry certificates to prove it, says Prison Authority spokesman Shimon Malka.

In addition to 40.3 per cent illiterate prisoners, aged 18 to 25, just over half of the prisoners read and write on a fourth grade level, and only one to two per cent have the education equivalent to sixth grade and upwards.

To remedy the situation, the Prison Authority has established seven education centres in prisons at an investment of tens of millions of shekels, said Malka.

The education centres, to be opened in the approaching academic year, will have modern pedagogical equipment and will employ women serving on national service as well as retired teachers.

Blasting Israeli society for rejecting released convicts and not giving them a chance to rehabilitate themselves, Malka says plans for ten prisoner hostels cannot be implemented due to the objection of local authorities to have them within their territory.

The first of these hostels, intended to house within a community, prisoners on the verge of their discharge, was to have opened in Ness Ziona. But the last-minute objection of its local council made this impossible, Malka said.

"For 30 years, the Prison Authority was the retarded child of Israeli society, to be hidden away from the press and the community," Malka said, noting that the new liberal policy introduced by authority commissioner Mordechai Wertheimer is intended to open the closed-prison system to society and to increase its awareness of it.

Under the auspices of the Association for the Protection of the Rights of the Individual.

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Share prices continue to tumble

TEL AVIV. — Share prices continued their precipitous decline without any hope of a respite from selling pressures. In the background are rumours regarding a "new economic policy" with a concomitant belt tightening which will begin at governmental levels and will extend directly to the man in the street.

As long as the lack of clarity as to the exact nature of this programme prevails, the existing nervousness, which has enshrouded the marketplace, is expected to continue and to be translated into lower stock prices.

Yesterday's developments on the Tel Aviv Stock Exchange fairly much resembled the action recorded on Tuesday. The General Share Index, commercial banks excepted, fell by 2.27 per cent. The service and trade group, investment companies and oil shares all fell by more than 3.5 per cent, when viewed on a sectoral basis. Industrials also recorded a relatively broad decline. 21 securities were established as "sellers only" and were automatically reduced by five per cent. On the positive side of the ledger, only one issue was able to enter the circle of "buyers only." While 84 other securities fell by more than five per cent, only 15 advanced by similar margins.

Trading turnovers continued to be moderate and just exceeded the \$582 million mark.

Index-linked bonds generally advanced by moderate amounts as trading turnovers stood at \$329m.

Devaluation continued apace as the shekel was devalued by 30 agorot in relation to the dollar.

The commercial bank group was only slightly higher as shares which do not benefit from stabilization practices were on the downside. FBI lost nearly four per cent while the shares of the First International Bank were 1.6 per cent lower. While there has been no public announcement that these shares will be stabilized by Discount, which now owns a sizeable chunk of the First International share capital, this development is expected in the near future. Maritime Bank of Israel 0.1 shares were 10.7 per cent lower while the 0.5 shares declined by nearly eight per cent.

Tel Aviv Stock Exchange

By JOSEPH MORGENSTERN

Finance and Trade Bank shares declined by up to 1.8 per cent. Others in the commercial bank group maintained their customary advances.

Mortgage bank shares trended slightly lower, primarily as a result of a 10 per cent drop in the shares of the Independence Bank equities. Merav shares were strongly supported and in the wake of heavy selling pressures their price remained unchanged.

Insurance issues were down on the session. Leading the group lower were Ararat 0.1 and Hadar 1.0 with respective losses of 10 and 9.3 per cent.

Service and trade shares continued their descent. Ten per cent losses were absorbed by Delek(r) and Cold Storage 0.1.

Land development, real estate and citrus plantation stocks maintained their downward course. Israel Citrus Plantations 0.1 shares were 10 per cent lower. Lumir 1.0 and Drucker 5.0 were both 10.1 per cent lower. The Drucker shares failed to react to Tuesday's announcement of a massive capital gain resulting from the sale of shares of the Trade Bank.

Industrials were also clearly lower. Elbit was unchanged but Elron was nearly five per cent down. Alliance did not trade, in the absence of the receipt of buy or sell orders. Pariz-5 was badly hit and backtracked by 14.7 per cent. Yach 1.0 was nearly 15 per cent lower. Clal Electro Industries was a 10 per cent loser. Maquette 1.0 and Lodzia 0.1 were both down 10 per cent. Arad was 0.2 per cent lower.

The pattern of falling prices was repeated in the investment company group. The "blue chip" Israel Corporation shares, continued to fall, with the 1.0 stock 4.3 per cent lower and the 5.0 shares down 3.7 per cent. Elgar Investments(b) was established as "sellers only" for the second consecutive session and the shares will trade today without any price restraints.

The Clal group of shares came in for some substantial knocks. Clal Trade was off by 10 per cent. Clal Israel 19.0 was 10 per cent lower while the 50.0 shares were down 9.2 per cent. Clal Real Estate was 2.8 per cent lower but Clal Industries was unchanged in spite of heavy selling pressure as the shares received strong support. Hiron was down by 12.4 per cent, while Oz Investments 0.1 was a 10 per cent loser.

North America Oil 5.0 shares, with a 10 per cent loss, led a general decline in the prices of oil shares.

Tromashest Ltd. shares did not trade yesterday in the wake of the company's announcing its financial results for the year ending March 31, 1983. Net profit for the year totalled \$50.9m, as compared with \$38.6m, the previous year. Sales were \$141m, as compared with \$151.52m, a year earlier. After adjusting for inflation the company reported a net loss of \$51.8m, as compared with an adjusted profit of \$52.7m, in the preceding year.

The company announced that it has entered into an agreement with three kibbutzim to erect prefabricated units at a total cost of \$2.7m. The contract is to be completed within six months and management estimates that 25 per cent of the sales value will result in profits.

Man Canned Food and Fish Industries Ltd. announced its results for 1982-83. These indicated that sales advanced by 126 per cent to \$522m, from \$458m, the previous year. Net profit advanced by 172 per cent to \$53.5m. The net inflation adjusted loss stood at \$7m, as compared with a loss of \$18m, a year earlier.

Commercial Banks

Bank	Price	Change	%
IDB p	8600	—	—
IDB r	3707	+9	+0.2
IDB p A	22809	n.e.	n.e.
IDB p 11	2660	+20	+0.8
Unibank	2802	+7	+0.3
Discount	4726	+9	+0.2
Discount A	4726	+9	+0.2
Discount B	3740	n.e.	n.e.
Discount C	377	n.e.	n.e.
Mizrahi	1567	+6	+0.4
Mizrahi h	1567	+6	+0.4
Mizrahi p	2740	+45	+1.7
Mizrahi p 11	1105	+40	+3.8
Mizrahi p 2	1250	—	—
Mizrahi p 3	503	+8	+1.4
Mizrahi p 4	679	+91	+10.7
Mizrahi p 5	252	+30	+12.0
Hapoalim p	2466	+8	+0.3
Hapoalim h	2466	+8	+0.3
Hapoalim p 11	4900	n.e.	n.e.
Hapoalim p 2	13750	—	—
Hapoalim p 3	9500	—	—
General A	7005	+35	+0.5
General p	35375	—	—
General p 11	13000	+50	+0.4
General p 2	4200	+100	+2.4
General p 3	285	+10	+3.6
General p 4	1598	+4	+0.3
Leumi	2400	n.e.	n.e.
Leumi p 11	2172	+7	+0.3
Leumi p 2	596	n.e.	n.e.
Leumi p 3	231	+5	+2.2
Leumi p 4	1310	+1	+0.1
Leumi p 5	1745	+13	+0.8
Leumi p 6	2606	+16	+0.6
Leumi p 7	2090	+13	+0.6
Leumi p 8	645	+1	+0.1
Leumi p 9	239	n.e.	n.e.
Leumi p 10	580	+30	+5.2
Leumi p 11	599	+630	+106.0
Leumi p 12	1281	+22	+1.8

Land, Building, Citrus

Company	Price	Change	%
Oren	224	+20	+9.8
Oren p	406	+1	+0.2
Oren p 11	207	+3	+1.5
Oren p 2	276	+408	+148.2
Oren p 3	2126	+8.1	+0.4
Oren p 4	367	n.e.	n.e.
Oren p 5	126	+20	+16.0
Oren p 6	174	+8	+4.6
Oren p 7	128	+8	+6.3
Oren p 8	95	+76	+80.0
Oren p 9	76	n.e.	n.e.
Oren p 10	198	+13	+6.6
Oren p 11	100	+1	+1.0
Oren p 12	209	+3	+1.5
Oren p 13	142	+0.8	+0.6
Oren p 14	508	n.e.	n.e.
Oren p 15	355	+15	+4.2
Oren p 16	120	+65	+54.2
Oren p 17	70	+4	+5.7
Oren p 18	424	+2	+0.5
Oren p 19	213	+30	+14.1
Oren p 20	165	+2	+1.2
Oren p 21	310	+61	+19.7
Oren p 22	135	+75	+55.5
Oren p 23	1075	+30	+2.8
Oren p 24	269	+11	+4.1
Oren p 25	366	+88	+24.0
Oren p 26	133	+12	+9.0
Oren p 27	2090	n.e.	n.e.
Oren p 28	970	+80	+8.3
Oren p 29	610	+119	+19.5
Oren p 30	2137	+351	+16.4
Oren p 31	2830	—	—
Oren p 32	188	+1384	+735.6
Oren p 33	233	+206	+88.4
Oren p 34	150	+17	+11.3
Oren p 35	620	+10	+1.6
Oren p 36	171	+16	+9.4
Oren p 37	121	+7	+5.8
Oren p 38	120	+170	+141.7
Oren p 39	259	+2	+0.8
Oren p 40	60	+195	+325.0
Oren p 41	2334	n.e.	n.e.
Oren p 42	2170	n.e.	n.e.
Oren p 43	1352	n.e.	n.e.
Oren p 44	2100	+105	+5.0
Oren p 45	285	+1	+0.3
Oren p 46	617	+0.1	+0.0
Oren p 47	210	+0.1	+0.0
Oren p 48	285	+0.6	+0.2
Oren p 49	129	+7	+5.4
Oren p 50	209	+11	+5.3
Oren p 51	105	+184	+170.5
Oren p 52	111	+109	+98.2
Oren p 53	84	+297	+353.6
Oren p 54	84	+100	+119.0
Oren p 55	153	+1	+0.7
Oren p 56	95	+276	+290.5
Oren p 57	212	+6	+2.8
Oren p 58	3060	+39	+1.3
Oren p 59	500	+96	+19.2
Oren p 60	1600	+40	+2.5
Oren p 61	234	+3	+1.3
Oren p 62	237	n.e.	n.e.
Oren p 63	57	n.e.	n.e.
Oren p 64	690	+15	+2.2
Oren p 65	205	+11	+5.4
Oren p 66	279	+1	+0.3
Oren p 67	336	+342	+102.1
Oren p 68	286	+304	+106.3
Oren p 69	135	+2	+1.5
Oren p 70	691	+145	+21.0
Oren p 71	323	+17	+5.3
Oren p 72	617	+36	+5.8
Oren p 73	85	+149	+175.3

Industrial

Company	Price	Change	%
Elbit	97	+445	+458.8
Elbit p	65	+27	+41.5
Elbit p 11	430	+27	+6.3
Elbit p 2	430	+27	+6.3
Elbit p 3	430	+27	+6.3
Elbit p 4	430	+27	+6.3
Elbit p 5	430	+27	+6.3
Elbit p 6	430	+27	+6.3
Elbit p 7	430	+27	+6.3
Elbit p 8	430	+27	+6.3
Elbit p 9	430	+27	+6.3
Elbit p 10	430	+27	+6.3
Elbit p 11	430	+27	+6.3
Elbit p 12	430	+27	+6.3
Elbit p 13	430	+27	+6.3
Elbit p 14	430	+27	+6.3
Elbit p 15	430	+27	+6.3
Elbit p 16	430	+27	+6.3
Elbit p 17	430	+27	+6.3
Elbit p 18	430	+27	+6.3
Elbit p 19	430	+27	+6.3
Elbit p 20	430	+27	+6.3
Elbit p 21	430	+27	+6.3
Elbit p 22	430	+27	+6.3
Elbit p 23	430	+27	+6.3
Elbit p 24	430	+27	+6.3
Elbit p 25	430	+27	+6.3
Elbit p 26	430	+27	+6.3
Elbit p 27	430	+27	+6.3
Elbit p 28	430	+27	+6.3
Elbit p 29	430	+27	+6.3
Elbit p 30	430	+27	+6.3
Elbit p 31	430	+27	+6.3
Elbit p 32	430	+27	+6.3
Elbit p 33	430	+27	+6.3
Elbit p 34	430	+27	+6.3
Elbit p 35	430	+27	+6.3
Elbit p 36	430	+27	+6.3
Elbit p 37	430	+27	+6.3
Elbit p 38	430	+27	+6.3
Elbit p 39	430	+27	+6.3
Elbit p 40	430	+27	+6.3
Elbit p 41	430	+27	+6.3
Elbit p 42	430	+27	+6.3
Elbit p 43	430	+27	+6.3
Elbit p 44	430	+27	+6.3
Elbit p 45	430	+27	+6.3
Elbit p 46	430	+27	+6.3
Elbit p 47	430	+27	+6.3
Elbit p 48	430	+27	+6.3
Elbit p 49	430	+27	+6.3
Elbit p 50	430	+27	+6.3
Elbit p 51	430	+27	+6.3
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Elbit p 67	430	+27	+6.3
Elbit p 68	430	+27	+6.3
Elbit p 69	430	+27	+6.3
Elbit p 70	430	+27	+6.3
Elbit p 71	430	+27	+6.3
Elbit p 72	430	+27	+6.3
Elbit p 73	430	+27	+6.3
Elbit p 74	430	+27	+6.3
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Elbit p 79	430	+27	+6.3
Elbit p 80	430	+27	+6.3
Elbit p 81	430	+27	+6.3
Elbit p 82	430	+27	+6.3
Elbit p 83	430	+27	+6.3
Elbit p 84	430	+27	+6.3
Elbit p 85	430	+27	+6.3
Elbit p 86	430	+27	+6.3
Elbit p 87	430	+27	+6.3
Elbit p 88	430	+27	+6.3
Elbit p 89	430	+27	+6.3
Elbit p 90	430	+27	+6.3
Elbit p 91	430	+27	+6.3
Elbit p 92	430	+27	+6.3
Elbit p 93	430	+27	+6.3
Elbit p 94	430	+27	+6.3
Elbit p 95	430	+27	+6.3
Elbit p 96	430	+27	+6.3
Elbit p 97	430	+27	+6.3
Elbit p 98	430	+27	+6.3
Elbit p 99	430	+27	+6.3
Elbit p 100	430	+27	+6.3

Investment & Holding

Company	Price	Change	%
Unico	335	—	—
Unico p	335	—	—
Unico p 11	335	—	—
Unico p 2	335	—	—
Unico p 3	335	—	—
Unico p 4	335	—	—
Unico p 5	335	—	—
Unico p 6	335	—	—
Unico p 7	335	—	—
Unico p 8	335	—	—
Unico p 9	335	—	—
Unico p 10	335	—	—
Unico p 11	335	—	—
Unico p 12	335	—	—
Unico p 13	335	—	—
Unico p 14	335	—	—
Unico p 15	335	—	—
Unico p 16	335	—	—
Unico p 17	335	—	—
Unico p 18	335	—	—
Unico p 19	335	—	—
Unico p 20	335	—	—
Unico p 21	335	—	—
Unico p 22	335	—	—
Unico p 23	335	—	—
Unico p 24	335	—	—
Unico p 25	335	—	—
Unico p 26	335	—	—
Unico p 27	335	—	—
Unico p 28	335	—	—
Unico p 29	335	—	—
Unico p 30	335	—	—
Unico p 31	335	—	—
Unico p 32	335	—	—
Unico p 33	335	—	—
Unico p 34	335	—	—
Unico p 35	335	—	—
Unico p 36	335	—	—
Unico p 37	335	—	—
Unico p 38	335	—	—
Unico p 39	335	—	—
Unico p 40	335	—	—
Unico p 41	335	—	—
Unico p 42	335	—	—
Unico p 43	335	—	—
Unico p 44	335	—	—
Unico p 45	335	—	—
Unico p 46	335	—	—
Unico p 47	335	—	—
Unico p 48	335	—	—
Unico p 49	335	—	—
Unico p 50	335	—	—
Unico p 51	335	—	—
Unico p 52	335	—	—
Unico p 53	335	—	—
Unico p 54	335	—	—
Unico p 55	335	—	—
Unico p 56	335	—	—
Unico p 57	335	—	—
Unico p 58	335	—	—

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Still troubled triangle

TWO WEEKS AGO President Amin Jemayel was in Washington, and it appeared that a large measure of understanding was reached between the U.S. and Lebanon on the modalities for the withdrawal of all foreign forces from Lebanon. Last week Defence Minister Moshe Arens and Foreign Minister Yitzhak Shamir flew to Washington and as a result Israel and the U.S. were reported to have established a joint strategy on Lebanon.

Logically this should have produced a meeting of minds between Israel and Lebanon, but apparently it did not. The separate rounds of talks in the American capital evidently produced some disagreement along with agreement.

Perhaps it was not to be expected that the Beirut government would, following Mr. Jemayel's meeting with Mr. Reagan, embrace with understanding, as the Americans did, the idea of an Israeli redeployment along the Awali River. But it turns out that Lebanon and Israel also strongly differ on the matter of the ratification of the accord concluded by them last May, which Beirut is eager to put off as long as possible.

On this issue, it became known earlier this week, the U.S. is siding with Lebanon against Israel. This was confirmed on the arrival of U.S. envoy Robert McFarlane here from Beirut. The Lebanese, Mr. McFarlane explained, are standing by the accord with Israel, but they are fearful that ratification would rub Damascus the wrong way. It would, so they suspect, harden the Syrian refusal to contemplate a pullout of their troops from Lebanon.

Israel takes the contrary view. An exchange of the instruments of ratification between Beirut and Jerusalem, Mr. Shamir reasons, should convince the Syrians that they cannot expect to scrap the accord by delaying their withdrawal.

But the hope of successful pressure on the Syrians depends very much on the chances of a common front between the U.S., Israel and Lebanon — not only on ratification but also on other issues, such as redeployment and the disengagement of Israeli and Syrian forces. That, it now seems, still waits to be achieved.

TV-2: lures and traps

IT SEEMS probable that in the foreseeable future the government will come to a decision to launch a second television channel. Few people in Israel will be opposed in principle to the introduction of such a channel, just as nobody disapproves of motherhood. The arguments only start when efforts are made to formulate the practice — how the second channel will be operated, financed and controlled.

It has long been clear that one channel cannot satisfy all the expectations of the public. The Broadcasting Law obliges Israel Television to "reflect, with fairness and authenticity, the life of the State, its struggles, creativeness and achievements, and, complementarily, of the Diaspora, expressing all views and opinions; to awaken and heighten the civic spirit; to forge stronger links with Jewish tradition and its values and make for a greater awareness of them; to mirror the richly variegated ways of Israel's divergent origins; to further Hebrew and Israeli writing; and to provide programmes in Arabic for the needs of Israel's Arab-speaking citizens, and not for them alone, in Israel's quest for understanding and peace." "Hour states." To achieve these aims Israel Television must have a second channel.

With such lofty objectives imposed on it, no station on earth could possibly succeed in satisfying everybody: it is little wonder that Israel Television has hardly succeeded in satisfying anyone. In practice, Israelis in their pragmatic way of solving problems have simply used Jordan or Lebanon as supplementary stations. This is hardly desirable, though Israelis remain immune to the heavy Jordanian propaganda.

So the need for a second channel has won wide support. A commission in 1979, headed by Haim Kubersky, the director-general of the Ministry of Interior, also found in favour of the idea. But such a station will be very expensive to establish and to run, and Israel at the moment is in such desperate financial straits that paying for a second station from the Treasury is obviously barred.

The commission recommended that the cost be covered by allowing the second channel to accept advertising. On the face of it, this is a painless solution, which will not cost the government any money. Yet it must be borne in mind that advertising expenses will add to the cost of products and will be passed on to the consumer, thereby raising the cost of living and the index, so the economic gain may be ephemeral.

Furthermore, the print press have objected that television advertising is so alluring that producers of goods will rush to it to advertise. In the U.S., 50 per cent of advertising money goes to TV, in Europe 33 per cent. If a similar allocation were to take place in Israel, advertising in the press would drop so low as to endanger the existence of a free and vital press.

Next comes the question of control. In the U.S., television is run by private companies and advertisers who sponsor programmes. In England, the BBC allows advertising on certain channels, but control remains vested in the Corporation, and advertisers have no power whatsoever. This is clearly a better model for Israel.

Some members of the Likud hope that a second channel would become a government mouthpiece. That could turn out to be a naive hope.

Thus while the pressure for a second channel in our electronic age is understandable, the problems this poses for a small country, like Israel, with limited resources, are formidable.

A social misfortune

By DAVID KRIVINE

GOVERNMENT BUDGETS have grown so big that they are stifling economic growth. So they must be cut; fine — but will that be all? Once the financial overrun is eliminated, is there nothing else to do?

There is everything to do, says Israel Katz, Israel's former labour minister. He heads a new institution, created by himself (and financed by the American Joint Distribution Committee), called the Centre for Social Policy Studies (CSPS), its most immediate task is to examine what the budget is all about.

At first blush the operation seems superfluous. Mighty institutions exist — the cabinet, 19 ministries, the Knesset — to determine what the budget shall be. Is that not enough? Katz believes something more is needed.

The trouble with both parliament and administration is — politics. They see the national interest, but through the prism of the democratic political process. It is the best prism there is; however like all prisms it distorts a little.

The distortion in this case is the need to woo the public, the influence of pressure-groups, and the tendency of existing budget-financed agencies to become vested-interests.

Ministries possess research departments, but the minister tells them what information he wants and they supply it. An independent non-governmental body is required to examine each budget item on its merits, without fear or favour and according to thoroughly objective criteria.

The Brookings Institution in the U.S. does exactly that, and the CSPS proposes unashamedly to imitate it — with this difference, that it will confine itself, at least in the initial stages, to examining only social policies.

ITS FIRST REPORT, issued in May, gathers background facts. It analyses the distribution of resources between the social services; with the aim of helping the legislator (and the public) to decide what should be done about these services in future budgets.

The facts assembled are of striking interest. The '70s saw a severe slowdown in the growth of output. GNP per capita remained stationary during the second half (1975-80), yet expenditure on social services

soared threefold during the decade. It rose from 9 to 18 per cent of the GNP.

Does that indicate a change of policy in the social field? On the contrary it indicates — thankfully perhaps — a failure to change policy. The social services were growing before. They put on an extra spur in the early '70s, no more than that.

What changed was the GNP. During the '50s and '60s it had expanded by 10 per cent or more a year, therefore the social services could increase by up to ten per cent annually without exceeding the existing ratio to output.

The problem then is this: should the development of the social services be frozen when the GNP is at a standstill, or should it continue to progress without regard to the performance of the economy? The latter course would mean, the report stresses, sacrificing other expenditure items to feed the medical, educational and welfare sector.

(The report does not say what was sacrificed during the late '70s. Perhaps it was price stability and the balance of payments.)

There is one way out: to spend less on defence. That may be good advice, but it is political advice. From the economists' point of view it is an evasion of the issue. The CSPS divides the budgets into three: defence, debt payment and the services (social and economic). It assumes that defence and debt payment are fixed charges which cannot be altered.

It also points out that budgets are unlikely to grow during the coming years. All the above makes it doubly necessary to do what should be done anyway: to investigate precisely what we are spending on the social services and why we are spending it.

THE REPORT'S FIRST observation meriting attention is that the expenditure of those services has not been quite as great as it sounds. Budgetary growth over the years is measured by using constant prices, that is, by deflating money growth through the cost-of-living index.

But cost inflation in the social services is greater than cost inflation in the economy at large, because the chief outlay in the social services is on wages — and wages have gone up more than the C.O.I. index. If we use the Index of Public Sector Prices, we find that the growth-rate of the social ser-

vices in the '70s was not 9.5 per cent a year — but 6.9 per cent a year.

When the government taxes the private citizen to finance more education or health, it is making him "buy" something whose price has gone up more than the price of the goods and services that he would otherwise use his money for on the private market.

If, on the other hand, the tax is used not for health or education but to increase "income maintenance," that is, to augment the incomes of those in need (old-age pensioners, large families, social cases) then the cost is not higher, since the recipients spend the cash on those same (cheaper) goods and services on the private market.

Income maintenance has grown and accounts for 40 per cent of the outlay on social services — more than education (30 per cent) or health (20 per cent). That is a welcome relief, sparked in part by a report from the National Insurance Institute in 1971 showing that 10 per cent of the families in Israel lived at that time below the poverty line.

During the subsequent decade old-age pensions were increased in real terms by 5 per cent a year per recipient (and the number of recipients by a similar proportion).

A second report released in 1972 by a body whose name tells all — the Committee on Needy Children — had its effect as well. Child allowances were increased by 6.9 per cent a year per recipient, though part of that increase is in lieu of tax deductions (which were replaced by bigger child allowances in 1975).

Here also the coverage has improved. The proportion of children whose families received the allowance rose from 71 per cent in 1970 to 98 per cent in 1979.

THE DECADE WHICH lies ahead should see a slowdown in growth-rates, if only because coverage is getting at last to be comprehensive. Fewer potential beneficiaries are left outside the net, still to be recruited. And population growth among the affected groups is slowing down. The over-65s increased in numbers during the last decade at double the average rate for the population. During the '80s their increase will be only 25 per cent above average.

Nevertheless the report makes it clear that Israel has no chance of resting on its laurels. The over-65s may be multiplying more slowly, but

Dry Bones



there is no let-up in the pullulation of the over-75s. They will rise from one-third of the old to 40 per cent during this decade; and their need for medical and other aid is greater than that of their juniors.

More university graduates will be required, since immigration has been tailing off. There may be a rise in unemployment and therefore of unemployment benefits; also of disability benefits, which are apt to increase when jobs are hard to get.

In other words, entitlements created by the legislator in the past contain built-in increases which will create budgetary problems in the future. Dr. Katz points to the escalating cost of hospitalization, due partly to the increasing use of very high-price, technology-intensive medical equipment. "If trends continue as today, by the end of the present decade the whole health budget will not suffice to cover the expense of hospitalization alone," he says.

IT IS REMARKABLE that a pioneer of social policy and income redistribution like Israel Katz should sound this cautionary note — which underlines the value of the sober calculations made by the CSPS. One of the greatest burdens on the hospitals are the aged, in particular those whom the report calls the "aged-aged" (the over-75s); whose numbers are going up so fast.

But should they be hospitalized? Most of them are not afflicted with a disease in the proper sense of the term, they are merely old and run-down, which is something else. Day-care centres should be built for them, releasing space for those who really need it.

The question of "real need" runs throughout this report and is cardinal to any proper study of budgetary expenditures. Outlay on primary schools rose by 1.4 per cent a year in 1976-81, and on secondary education by 10 per cent. There are two reasons for the difference. One is the mobilization of more high-school pupils, the other is the introduction of free secondary education by the minister in question, Zevulun Hammer.

This is an example of the influence of politics on planning. "Free-high-schooling" was obviously a popular slogan at the hustings, but is it a constructive policy? The

amount of money for social subsidies is limited. If the government has to finance the schooling of the rich, it has correspondingly less money for helping the poor.

The centre makes no bones about this. The principle of universality, it says (that is, free service for everybody) conflicts with the principle of social justice (that is, narrowing the social gap).

Tests must therefore be more searching. The size of the child allowances tumbled after 1975, falling to keep up with tearaway inflation. It has been restored in part since 1980 but there is still a lag. That shortfall should be made good, the report believes. (It probably has been, with the new supplementary child-allowance law introduced in April.)

On the other hand there are people drawing two old-age pensions, one from the fund to which their workplace subscribes, the other from national insurance. Is that not excessive? The cost of higher education rose by 19 per cent a year in the '70s, faster even than the cost of secondary education. Should the students not pay bigger fees? Those who cannot afford to would be reimbursed.

Hospitals are spending, as stated, a fortune on modern scientific equipment, some of which lies idle part of the day. Should not the use of each piece of equipment be maximized by planned sharing?

THESE SUGGESTIONS are hardly new, but they show the direction of the centre's thinking. The CSPS is only at its beginnings; it is still testing its wings.

It is already researching into other problems. A report due for release in the coming days analyses the two conflicting plans for a national health service in Israel — the one produced by the government and the one championed by the Histadrut.

This is a meaty subject, and there are others. One can only hope that Dr. Katz's institution will achieve gradually in Israel the status and influence enjoyed by Brookings in the U.S., to the benefit of politicians, civil servants and the general public alike.

The writer is a member of The Jerusalem Post editorial staff.

READERS' LETTERS

BEAUTIFUL JERUSALEM

To the Editor of The Jerusalem Post Sir, — I was in Jerusalem during the month of July for the 22nd Conference of the World Union For Progressive Judaism and for the Academic Convocation of the Hebrew Union College-Jewish Institute of Religion.

The visit, originally one of duty, turned into an enjoyable and fascinating experience. The holy city of Jerusalem opened her heart to me. The city is clean and well-kept with flowers in bloom on every sidewalk and traffic island. I sincerely feel that heartfelt thanks are due to Mayor Teddy Kollek for all the effort and work put into keeping Jerusalem such a fair and flowering city.

The Hebrew Union College-Jewish Institute of Religion will be holding its Board of Governors meeting in October and for this, we will be returning to Jerusalem. At that time we will lay the cornerstone for the new buildings on the Jerusalem campus, and I am sure that we will find Jerusalem as beautiful as ever.

DR. ALFRED GOTTSCHALK, President, Hebrew Union College — Jewish Institute of Religion Jerusalem.

TV DRAMAS

To the Editor of The Jerusalem Post Sir, — The recent abundance of anti-South African government dramas on TV is baffling, and makes one wonder whether the staff of the TV entertainment department do not employ a Russian agent, who casts his views on the many super-liberals, who already dispense their views on the Israeli public.

How else can one explain four successive TV dramas aimed at showing what is wrong with the South African government, and not a word as to what is right about it, despite South Africa's relations with Israel.

ABE HERSHBEG Givatayim.

The Israel Broadcasting Authority replies:

Israel TV does not take a stand for or against the South African government. TV's film department broadcasts dramas submitted to it by TV companies from all over the Western world — the U.S., Great Britain, Canada, South Africa, Australia, etc. We broadcast any quality drama which we can afford.

ARIELLA RAYDAL, Spokeswoman Jerusalem.

ARENS FOR PRIME MINISTER

To the Editor of The Jerusalem Post Sir, — Moshe Arens is by far the best and most popular choice to succeed the aging and tired Begin.

The reasons are as follows: excellent relations with the American government, very high respect in Israel and America as well as in Europe; a very logical and pragmatic view of the burning problems facing Israel and the present war and its consequences; a young and vibrant personality most needed in a troubled and divided Israel.

Indeed, Israel desperately needs a strong and active leader with a vision to bring a real and lasting peace to the war-weary Israelis as well as Arabs. Perhaps Moshe Arens can be the man of the hour. I pray that this hour will soon come to pass and that Moshe Arens will answer the call.

LLOYD MORRISON West Berlin

ISRAEL'S PROSPERITY

To the Editor of The Jerusalem Post Sir, — This is my sixth visit to Israel, and I am amazed at your apparent prosperity. It seems every flat has a TV, usually colour, one and sometimes two cars, and other modern appliances. I am told Israel has the highest per capita ownership of VTRs in the world!

Not only is your standard of living so much higher than ever before, but you must also be enjoying a wonderful foreign exchange position. How else can you afford to have an exchange rate of only 1550 to the dollar, which discourages foreigners from visiting Israel or buying your exports, and encourages Israelis to travel abroad and buy imported goods?

At the same time that fewer and fewer Americans can afford single-family homes, more and more Israelis are building the same. Perhaps Israel is now so prosperous that it can afford to send aid to American Jews, rather than vice versa?

ELIOT BERNAT Nahariya (Charlotte, North Carolina).

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Friday, August 5, 1983, 8.30 p.m.

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Dr. Meron Medzini, Senior Lecturer
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There will be an introductory lecture on South Africa on Wednesday, August 10 at 6 p.m. at the Diplomat Hotel, Tel Aviv. Those interested are requested to reserve seats through the organizers.

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